

The Global Newspaper
Edited and Published
in Paris
Printed simultaneously in Paris,
London, Zurich, Hong Kong,
Singapore, The Hague, Marseille,
New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

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No. 34,370 35/95

LONDON, TUESDAY, AUGUST 31, 1993

ESTABLISHED 1887



Prime Minister Yitzhak Rabin, front, and Foreign Minister Shimon Peres of Israel at a cabinet meeting Monday in Jerusalem. They argued for approval of the peace proposal.

Life Sentence for a Leak Beijing Cracks Down on an Editor Who Helped Scoop the Party Chief

By Lena H. Sun
Washington Post Service
BEIJING — The authorities sentenced an editor to life in prison on Monday for having sold "state secrets" to a Hong Kong journalist who was then able to scoop the Communist Party chief, Ziang Zemin, by publishing a major speech a week before Mr. Ziang gave it.
The official Xinhua press agency said Wu Shishen, an editor at the agency's domestic news department, was tried in secret in April and sentenced Monday by the Beijing Municipal Intermediate People's Court. An accomplice, Ma Tao, an editor of the magazine China Health Education News, was sentenced to six years in prison.
The news agency report did not mention Mr. Ziang's speech. It said only that on Oct. 4, 1992, Mr. Wu took advantage of his journalist's access to secretly obtain "the most confidential document" and give it to Mr. Ma, who then passed it on to a Hong Kong reporter in exchange for 5,000 yuan (\$865).
But the authorities were clearly referring to a case last fall when a Hong Kong Chinese-language newspaper, the Express, published the entire text of the party chief's keynote address to the Chinese Communist Party's 14th Congress a week before it was to be

officially made public. The Hong Kong reporter was detained in Beijing for several days before being expelled to Hong Kong.
The severity of the sentence appears to reflect the degree of embarrassment by China's top leaders over the leak of a major policy address. It is also intended to warn mainland Chinese and overseas journalists about trying to report too fully on China despite official propaganda of "a more open China."
In May, a man who had provided the Washington Post with copies of articles from "restricted circulation publications" was sentenced to 10 years in prison for providing state secrets to foreigners. Bai Weij had provided articles about the Chinese economy, politics and social issues. His wife was sentenced to six years, and two others connected with the case were given two- and four-year sentences.
Authorities are concerned that too much information they consider classified is finding its way into the hands of journalists, diplomats and business executives. In particular, in Hong Kong, where the China-watching community is enormous, the contents of purported "secret documents" or internal speeches by top Chinese leaders are the staple of the Chinese-language press.

Buy Your Visa to Canada, But Read the Small Print

By Annie Swardson
Washington Post Service
VANCOUVER — Canada's "buy-a-visa" program has been a veritable gold mine.
Launched in 1986 to allow wealthy foreigners to obtain permanent residency by investing at least \$120,000 in Canadian enterprises, the program has attracted billions of dollars, most of it from Hong Kong and Taiwan. Studies show that more than 10,000 jobs were created by the investments.
While the investment program was great for Canada, however, it was not so great for some of the immigrant investors. A number of the 22,057 who have come to Canada under the program are now discovering that millions of dollars of their money was funneled into questionable ventures, and much of it appears to be lost for good.
It was the last thing Howard Wu expected after he decided to relocate from Hong Kong to Vancouver. Weary of the threat of political upheaval as Hong Kong moves toward a transfer of control from Britain to China in 1997, he

wanted stability, security and a good place to educate his three sons. When he turned over \$120,000 to a government-sanctioned investment fund specializing in real estate, he expected a decent return.
Years later, he found out where his money had gone. Instead of building shopping centers in Vancouver, Mr. Wu's investment had been funneled into a gold mine nearly 1,000 miles away. The mine, in the province of Saskatchewan, subsequently declared bankruptcy. Mr. Wu now works full time on a \$25 million lawsuit attempting to recover his funds and those of 230 other families.
"Their complaint is not that their money was lost," sophisticated investors for the most part, the immigrants know there are few guarantees in the world of risk capital. Their complaint is that their money, which the brochure said would be invested in real estate, was invested in a much more speculative venture.
"We selected an orange, we got an apple," Mr. Wu said. The suit is directed against a manager of the fund.
See VISAS, Page 2

'HORIZONS TO PEACE ARE OPEN'

Israeli Government Approves Self-Rule for Jericho and Gaza

By Clyde Haberman
New York Times Service
JERUSALEM — With hopeful forecasts of a new era for the Middle East but also with angry warnings of danger from several thousand protesters, the Israeli government formally approved a draft agreement with the Palestinians early Tuesday that Prime Minister Yitzhak Rabin said could be signed at peace talks resuming in Washington later in the day.
Sixteen ministers voted in favor, and two abstained.
In Tunis, a senior official of the Palestine Liberation Organization also said that the two sides were on the brink of a major breakthrough and would be able to announce a deal in the next day or two.
The core of the agreement would create within months a form of Palestinian self-rule in Israeli-occupied territories, starting with the troubled Gaza Strip and the small West Bank city of Jericho. Signing the accord would clear the way, Israeli officials say, for a PLO renunciation of its calls for Israel's destruction and for Israeli recognition of a group long reviled as a terrorist organization.
"The horizons to peace are open," Mr. Rabin told members of the parliament from his governing coalition before his cabinet met for a long evening of discussion on the draft agreement, whose approval was never in doubt. It

had been worked out at secret meetings held in recent days by Foreign Minister Shimon Peres and top PLO officials.
"There is a stirring in the entire Arab arena in their readiness to make peace," the prime minister continued. "Not that there aren't obstacles, not that there aren't difficulties. But I'm convinced that the horizons to peace are open."
Despite the public optimism, some officials cautioned that potentially tough negotiations still lay ahead in Washington on important details that ultimately might determine success or failure. These include questions about the extent of a planned Israeli troop pullback from Gaza and Jericho and the speed with which the two sides will move from what effectively is a pilot project to broad Palestinian authority across the territories.
Both sides also got a taste of the hard opposition each is certain to face in the coming weeks and months from within their own societies as they head into uncharted waters that make many Israelis and Palestinians hesitant and even fearful.
Palestinian hard-liners accused the PLO of abandoning hopes for a Palestinian state by accepting limited authority for now over only Gaza and Jericho. In Damascus, a radical guerrilla leader, Ahmed Jibril, issued a barely veiled threat to assassinate Yasser Arafat, the PLO

chairman, saying that "he personally and those who are with him are to pay the price."
In Jerusalem, several thousand anti-government demonstrators rallied outside the prime minister's office as the Rabin cabinet convened Monday night, a protest that turned unruly at times as people scuffled with the police and in turn were dispersed with bursts of water cannons.
Jewish settlers in the territories, who feel most immediately threatened by the sudden move toward a peace accord, pledged a campaign of civil disobedience, even if it means going to jail.
And at an often-raucous session of the parliament, rightist lawmakers led by the opposition Likud party hooted down Mr. Peres as he defended the draft agreement, accusing both him and Mr. Rabin of having lied to the Israeli people by dealing with the PLO and of having paved the way for an eventual Palestinian state that would imperil Israeli security.
"There is one asset that you must not trade in, and that is the homeland itself," said Benjamin Netanyahu, the Likud leader. "Nobody gave you a license to do so. Nobody will give you a license to do so."
But Mr. Peres, his voice occasionally rising in anger, insisted that the Labor-led government had lied to nobody. It was elected last year on a campaign pledge to reach a peace agreement with the Palestinians and other Arab parties, and that, he said, was what it was starting to do. Moreover, Mr. Peres insisted that what was being arranged was a five-year period of Palestinian self-rule and not a state, all along the lines of the Camp David accords that Israel



See PEACE, Page 6

Radical Threatens Arafat and Sees Civil War

Compiled by Our Staff From Dispatches
BEIRUT — A radical Palestinian guerrilla leader warned Yasser Arafat on Monday that he could face assassination or a proposed agreement with Israel and said that the pact would spark a Palestinian civil war.
The leader, Ahmed Jibril, and other Palestinian hard-liners and Muslim fundamentalists condemned the proposal as a catastrophe. It would give the Gaza Strip and the West Bank town of Jericho a special autonomous status.
The warnings came as Mr. Arafat, chairman of the Palestine Liberation Organization, left Tunis on a tour of Arab countries to explain the proposed agreement, which he described as a "historic turning point," for the Palestinians.
But the two main components of the PLO aside from Mr. Arafat's El Fatah, the Popular

Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine, rejected the plan.
And the Islamic Resistance Movement, or Hamas, warned that an accord could start a civil war in the occupied territories. The fundamentalist group is the main rival of the PLO in the Israeli-held West Bank and Gaza Strip.
"This project opens the door wide to inter-Palestinian fighting and civil war because it does not fulfill their aspirations and liquidates their cause," Mohammed Nazal, the Hamas representative in Jordan, said of the accord.
"We can never be a party to such an agreement that has no consensus and spells doom to our national aspirations," he said.
A statement by Mr. Jibril, leader of the

Popular Front for the Liberation of Palestine-General Command, said: "While we remind Arafat of the fate of Sadat and Sartawi and others, we remind him that he personally and those who are with him are to pay the price. Tomorrow is never far away."
But a spokesman for Mr. Jibril, head of the Popular Front for the Liberation of Palestine-General Command, said later that the warning, issued in Beirut in Mr. Jibril's name, did not constitute a direct threat to kill Mr. Arafat.
"We are not making of ourselves a judge or a court," the spokesman said. "We did not mean that we will do this. This is up to the people to decide."
Muslim fundamentalists assassinated President Anwar Sadat of Egypt in 1981 after the country's 1979 peace treaty with Israel. Issam

Sartawi, a leading member of the Palestinian parliament-in-exile, was assassinated in a Portuguese hotel in 1983. Responsibility for his killing was claimed by the Fatah Revolutionary Council led by Abu Nidal, who threatened to kill Mr. Arafat in 1974 and was sentenced to death and expelled from El Fatah.
Palestinian sources said the assassination threat Monday was believed to be the most direct made by Mr. Jibril against Mr. Arafat.
Mr. Jibril, a former Syrian army officer, said Mr. Arafat by agreeing to the "Gaza-Jericho first" proposal was preparing for a civil war among Palestinians inside the occupied territories.
"We urge our heroic Palestinian people in-

See PLO, Page 6

U.S. Army Raid In Somalia Nets UN Aid Workers

By Donatella Lorch
New York Times Service
NAIROBI — In an inauspicious beginning, elite U.S. Army Rangers mounted their first major operation in Somalia early Monday, dropping from helicopters and storming several Mogadishu houses only to find one deserted and another full of United Nations workers whom they tied up and briefly detained, UN and Pentagon officials said.
UN military officials insisted that the raid was not bungled. A UN military spokesman in Mogadishu, Major David Stockwell, said that the houses were technically a well-executed success. He said there would be more such raids in the future.
There were no casualties reported, and Mogadishu remained calm throughout the day.
"We searched the right buildings, not the wrong ones," Major Stockwell said. "We used very aggressive breaching techniques in order to accomplish the mission and safeguard UN forces. We are absolutely not embarrassed. We will not apologize for it."
The UN workers were in an area of the city that they had been told to evacuate, Major Stockwell said.
Relief workers from a French aid agency, whose building was also stormed, were angry about the attack, underscoring the mounting tension between aid workers and the UN military.
"It is out of the question that the military use a humanitarian agency as a perimeter for one of their operations," said Patrick Seyveller, a worker with the French agency who witnessed the attack. "We are totally against this type of maneuver."
While the State Department, the Pentagon and Clinton administration officials tried publicly to play down the raid and insisted it was a success, several said privately that they were embarrassed over the operation.
One State Department official said that only the professionalism of American troops had



HANDLING A DEADLY THREAT — A Bosnian Serb clearing an anti-personnel mine Monday near the northern town of Doboj. With talks set to resume in Geneva, the United States said it would provide troops if a fair accord was reached. Page 6.

Kiosk

No ANC Censure For Torturers

JOHANNESBURG (WP) — The African National Congress, seeking to rid itself of a scandal, apologized Monday for past cases of torture and summary executions inside its former guerrilla camps, accepting "collective responsibility" for the abuse.
But the scandal showed few signs of abating as the ANC sidestepped the tough question of punishing the violators.
Instead of taking disciplinary action against those found guilty, the ANC called for the establishment of a "truth commission" to investigate all rights crimes, including those committed by the government.
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Arrest for Cocaine Gets Bad Reviews for a Flamboyant Japanese Movie Mogul

By Andrew Pollack
New York Times Service
TOKYO — The flamboyant Japanese movie mogul and publisher who co-produced the short-lived Broadway musical "Shogun" could face the unraveling of his empire following his arrest on suspicion of cocaine smuggling.
The seizure of Haruki Kadokawa, president of Kadokawa Publishing Co., has caused a sensation in Japan, a nation with only a small drug problem and little tolerance for narcotics use.
Mr. Kadokawa was taken by the police from his Tokyo home at about 7 A.M. Sunday for questioning and is still in custody on suspicion

that he ordered an aide to buy cocaine for him in Los Angeles. On Monday, the case was given to prosecutors for probable indictment.
Mr. Kadokawa has denied trying to bring cocaine into Japan, according to the police.
Mr. Kadokawa, 51, has produced dozens of films and directed several, including "Heaven and Earth," a big-budget 1991 samurai war drama that was a hit in Japan, although it fared poorly in the United States. He is also known for co-producing the 1989 Broadway production of "The Three Penny Opera," starring the rock singer Sting.
"Even though Mr. Kadokawa has not been formally charged, let alone convicted, his associates and co-workers appear to have already

written him off and are distancing themselves from him as fast as they can.
Executives of Kadokawa Publishing held an emergency meeting Monday and decided to push for Mr. Kadokawa's removal as president of the company, which was founded by his father. The executives decided to take out a newspaper ad apologizing for the incident and to suspend all other advertising for the time being as a way of expressing the company's shame.
The Ministry of Education is reported to have started a review to determine whether the company is still fit to publish school textbooks.
The distributor of one of this summer's most

successful movies said it would withdraw the movie from the theaters a month earlier than expected because it was produced and directed by Mr. Kadokawa. The movie, "Ren," about a girl and a baby tyrannosaur, capitalized on the dinosaur fever generated by the release of the American movie "Jurassic Park."
Mr. Kadokawa's arrest has also fanned fears that Japan might be developing a drug habit, following in what are seen here as the decadent ways of the United States, with its attendant problems of crime and industrial decay.
In an editorial Sunday, the Asahi Shimbun, a major daily newspaper, said the incident "should be taken as a warning of the possible spread of drug contamination throughout Japanese society in the future." The Nihon Keizai Shimbun, a business newspaper, said that Japan was at a "crossroads" and that it was unclear whether an "invasion" by international drug cartels could be stopped at the shore.
This may be overreacting. The amount of cocaine seized in arrests here was a bit less than 50 pounds (23 kilograms) in 1991. In the United States, yearly seizures are measured in tons, and the amount that year was 120 tons, or roughly 5,000 times as much as in Japan, according to United Nations figures.
But the number of people arrested on cocaine charges has been growing steadily in recent years and increased to 133 in 1992 from 110 the year before. A 1993 white paper by the

National Police Agency said that Latin American drug cartels viewed Japan as a potentially large but untapped market and were trying to expand their sales here.
The Kadokawa affair began on July 9 when Takeshi Ikeda, a photographer for Kadokawa Publishing, was arrested at Tokyo's Narita Airport as he was returning from Los Angeles. The police say he was carrying about 80 grams (2.8 ounces) of cocaine, with a street value of about \$50,000.
The police said Mr. Ikeda made five trips to Los Angeles in the last year and was buying cocaine on the instructions of Mr. Kadokawa. The publisher is suspected of using the drug himself and of distributing it to associates.

From Bad to Worse? Jackson's Tie to Kids as Liability

By Megan Rosenfeld
Washington Post Service

WASHINGTON — Michael Jackson has long been a man of many obsessions. For years his fans have known about his fascination with animals and the exotic species he owns, and his concern about his looks and his health. Until recently, his love for children and the trappings of childhood gave him the image of an eccentric but innocent philanthropist. But his preoccupation with children threatens to become the Achilles' heel of his trademark loafers.

Regardless of the allegations of sexual abuse made by a 13-year-old Los Angeles boy, it seems clear that there are two sides to Mr. Jackson's love for kids. There is a generous, joyous side to this obsession, but there is also a more confusing one. This passion, rooted in his turbulent childhood, may have led to his most excruciating moment; his best defense is that he became a tempting target made vulnerable by his own actions.

Several youths have come forward to proclaim having had friendships with Mr. Jackson, 35, when they were 10 or 11 or 12, and to say that nothing sexual happened. They speak, they say, in his defense. All they did was play together, buying toys, having water fights, spending the night in the same bed, for fun. But even as they defend him, they raise questions.

Walker. For almost two years, Mr. Adams has told reporters he was a "special friend," invited to travel with Mr. Jackson, dress like him and spend the night. Nothing untoward happened between them, he says.

Other people do not feel so alarmed. "I totally believe 100 percent in Michael's integrity," Elizabeth Taylor said in an interview with Newsweek magazine en route to Singapore to join Mr. Jackson, who has been performing there.



Singapore fans signaling their disappointment Monday that a Jackson concert had been postponed until Wednesday.

Aide Had Sought To 'Buy Time'

LOS ANGELES — Michael Jackson's security consultant said he had delayed telling the police about an alleged extortion attempt on the singing star for more than two months in order to "buy time" and "discredit" those making allegations against the entertainer.

Mr. Pellicano said that he had sat "in awe" at a meeting Aug. 5 as the dentist gave a "spiel like a salesman telling me how this would benefit Mr. Jackson tax-wise."

Soviets 'Bear No Guilt' in KAL 007 Disaster, Russia Finds

By Margaret Shapiro
Washington Post Service

MOSCOW — An official Russian commission said Monday that the downing of Korean Air Lines flight 007 ten years ago was caused by "a series of blunders and mistakes" by pilots of the commercial aircraft and that the Soviet Union was not at fault.

The Russian commission was set up a year ago by Mr. Yeltsin after he visited Seoul and called the KAL tragedy "the criminal act of a criminal regime." He also turned over to Korean authorities the plane's black box, which Soviet authorities had long denied they possessed.

Mr. Filatov, the head of the commission, said Monday that when KAL 007 strayed deep into Soviet airspace, Soviet air defense forces were convinced that it was an enemy spy plane and a dispatched a fighter to intercept it.

Mr. Filatov said the military had been "motivated by the conviction that the airspace of the U.S.S.R. had been invaded by an intruder air force plane."

VISA: Immigrants to Canada File Suits on Investments

Continued from Page 1
agers of the investment fund, but Mr. Wu believes Canada played a role as well. "The government was not responsible for our loss," he said, "but we feel the government had an obligation to ensure the honesty of the fund's management."

Other countries, including the United States, set up similar immigration programs using Canada's as a model. In the United States, however, only 753 people in the last two years have applied for 10,000 visas set aside for foreigners willing to invest \$1 million.

Mujahidin Free 5 Captives

DUSHANBE, Tajikistan — Four Russian soldiers and a Kazakh border guard were released unharmed Monday, more than two weeks after they were taken hostage in Tajikistan by Afghan mujahidin and taken across the border to Afghanistan.

Thailand, Moving To Stem Violence, Closes Schools

BANGKOK — The authorities announced Monday that they were increasing police protection in southern Thailand after a series of violent attacks and that schools would close weeks early for the semester break for the safety of teachers and students.

RAID: Ranger Success, or Snafu?

Continued from Page 1
prevented casualties that could have "turned an embarrassing fiasco into a tragedy."

Protest in Nigeria Beginning to Bite

LAGOS — Service stations ran out of fuel and air traffic was grounded nationwide on Monday as a three-day-old anti-government strike began taking its toll on the nation.

The Nigerian Labor Congress, which is made up of 41 unions and says it has 4 million members, began a strike on Saturday in an effort to force out the new government.

WORLD BRIEFS

Red Cross Appeal on Civilians in War

GENEVA (Reuters) — The International Committee of the Red Cross deplored the savagery of modern warfare on Monday and appealed to governments to uphold humanitarian law protecting civilians.

Greek Aide Charged in Wiretapping

ATHENS (Reuters) — A former senior aide of Prime Minister Constantine Mitsotakis was charged Monday in connection with a wiretapping scandal rocking Greece's conservative government.

Haitian Prime Minister Takes Oath

WASHINGTON (AP) — Robert Malval, a 50-year old businessman, was sworn in Monday as prime minister of Haiti by the man who chose him for the job, the deposed president, the Reverend Jean-Bertrand Aristide.

For the Record

A total of 76 people died in Tajikistan when a plane crashed that was carrying more than twice its permitted number of passengers, officials said Monday. The Yak-40 passenger jet was carrying 80 people, nearly 50 more than its capacity, when it crashed over the weekend after takeoff near Khorog, capital of the remote Gorno-Badkhash region. (Reuters)

Correction

Because of a transcription error, some words were omitted from the "What They're Reading" feature in the Leisure section of Friday's edition. Sir Peter Ustinov's comments regarding Sheridan Morley's forthcoming "Robert My Father" should have read: "I am reading it slowly, not because it is in any way tough going but because I wish to drag out the pleasure. Robert himself might have observed that vintage port is not drunk in order to quench the thirst."

TRAVEL UPDATE

Fires Blacken Mt. Olympus and Capri

ATHENS (AFP) — Fires are still devastating many of southern Europe's most scenic sites, including Mount Olympus in Greece and the Italian island of Capri, fire-fighting services said Monday.

Protest in Nigeria Beginning to Bite

LAGOS — Service stations ran out of fuel and air traffic was grounded nationwide on Monday as a three-day-old anti-government strike began taking its toll on the nation.

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STATESIDE / ANATOMY OF AN ASSAULT

On Bungled Cult Raid, Senior Aides Passed the Buck

By Stephen Labaton
New York Times Service

WASHINGTON — Senior officials of the agency that conducted the botched raid on a religious cult near Waco, Texas, early this year left the major decisions to agents who had no training in large paramilitary missions, investigators have found.

The findings, part of an internal review to be made public in mid-September, determined that the director of the agency and other senior officials made misleading statements about what had occurred in the Feb. 28 raid, in which four agents and at least six members of the Branch Davidian cult were killed.

Investigators and officials involved in the review said they had found fundamental problems with the planning, execution and follow-up of the operation, which began a 51-day standoff with the cult and its leader, David Koresh.

The review casts new doubt on the future of Stephen E. Higgins, the longtime director of the agency, the Bureau of Alcohol, Tobacco and Firearms, a division of the Treasury Department. For months the Clinton administration has strongly hinted that it would like to replace Mr. Higgins, although it has taken the position that it would await the outcome of the review.

The raid by agents seeking evidence of firearms violations was the largest in the agency's modern history, and it was also one of the bloodiest. Of the 75 agents involved in the raid, 15 were wounded in addition to the 4 who were killed when cult members opened fire and a gun battle erupted.

★ POLITICAL NOTES ★

House Democrats Have Bad News for Clinton

WASHINGTON — President Bill Clinton returns to the legislative battles with a warning from a prominent Democrat: that a majority of House Democrats oppose the free trade agreement with Mexico and Canada.

Supreme Court is Still Publicly Shy

WASHINGTON — For the second time this year, the Supreme Court is agitated over the release of court materials that allow the public a rare glimpse into an institution wedded to secrecy and decorum.

Quote/Unquote

President Bill Clinton, asked at the end of his vacation on Martha's Vineyard if he was ready to return to Washington to do battle with Congress: "I'm ready. I wish I had another week to stay. I'm a little spoiled now."

Away From Politics

A doctor in Austin, Texas, says he is treating two lesbians who have HIV, the virus that causes AIDS, and who may have become infected through sex with women. Transmission between lesbians is extremely rare, but experts say HIV can be transmitted by vaginal secretions.



The Clintons at the Martha's Vineyard airport, bidding people farewell after a 10-day vacation on the Massachusetts island.

The Knotty Problems of the Health Plan

By Robert Pear
New York Times Service

WASHINGTON — Less than a month before President Bill Clinton is to unveil his proposal for a national health insurance program, disputes have broken out among administration officials over how to finance it and how tightly to limit overall health spending.

The budget bill signed by Mr. Clinton on Aug. 10 cuts \$55.8 billion from the projected growth of Medicare over the next five years, mainly by curbing payments to hospitals and doctors and increasing beneficiaries' premiums.

Health policy experts warn that further cutbacks could have unintended effects. Doctors and hospitals, they say, would try to offset the loss of Medicare income by raising prices to privately insured patients, thwarting Mr. Clinton's effort to restrain health spending.

Mr. Clinton's plan would impose a new limit on the amount of health care costs that employers would be expected to pay the remainder, up to 20 percent of the premium; the money would be withheld from their pay.

D. Harken Dies at 83, Heart Doctor

WASHINGTON — In the aftermath of the worst flooding in American history, the Clinton administration is seriously considering proposals to convert entire towns and large tracts of farmland into wetlands rather than rebuilding levees to protect them.

New Idea for Flooded Midwest Lands: Let Them Be

Rivers, a conservation and preservation group that has advocated a new national policy. "Traditionally, when we recover from natural disasters, we tend to return to the status quo," the Clinton administration has taken the first steps to get out front and take preventive steps.

Up to 100,000 Ordered To Flee Atlantic Storm

Up to 100,000 people on North Carolina's barrier islands were ordered to evacuate Monday as a hurricane headed toward the central East Coast.

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INTERNATIONAL Herald Tribune

Opinion In the Noble Impulse to Intervene, Some Deadly Traps

Gaza and Jericho First

Why not? The broader Arab-Israeli peace talks were stalled. The Israelis gradually got the idea of breaking off a simpler corner of the problem...

WASHINGTON — So far, despite a lot of public agonizing and brave talk, the Clinton administration has yet to use force in Bosnia...

By Dimitri K. Simes This is the first of two articles.

up without a fight was predictable. It was similarly easy to anticipate that many Somalis would not look favorably on a military campaign against their leader...

and their sponsors in Belgrade to a U.S. air strike is uncertain. But the Bosnian Serb leader Radovan Karadzic has warned of terrorist attacks...

more severe. It is an illusion that Europeans are yearning for assertive U.S. leadership. They want a U.S. presence...

deal with centrist forces, arranging early elections and creating a credible government. With Russia's natural resources, its highly educated labor force...

Time to Leave Somalia?

A humanitarian mission to deliver food to millions of starving Somalis is degenerating into an obsessive search-and-destroy operation against supporters of a single warlord...

To the Brink of a Bosnia Sellout

By William Safire

PARIS — More than 10,000 U.S. troops drawn mainly from the 1st Armored Division in Bad Kreuznach, Germany...

No doubt the Bush administration two years ago in the UN cutoff of arms to the Bosnian Muslims was a diplomatic blunder...

People of my strategic persuasion favored a humbling-down of UN humanitarian aid to the scene while Western powers gave Serbian troops a taste of their own medicine...

Instead, what we have now is the undenied appearance of the promise of U.S. ground troop involvement in the U.S.-led policing of a surrender that the American people had no say in...

could only plead that slow strangulation in ghettos would be better than quick death in war. America will not defend with its lives what it cannot defend with its conscience...

The Good News on Ozone

It is not often that science, industry and government can agree on the causes of a complicated problem and then work to solve it. When they do, there is reason to celebrate...

Yeltsin's Battle With Parliament Will Fix Democracy's Limits

By Brian Beedham

AGINA, Greece — If Boris Yeltsin seriously means to have a fight with his parliament this fall, he better take a cool look at the different ways he could set about it...

history: the moment when autocracy at last, one hopes, gives way to democracy. At these times a great deal depends on the way things are done...

Russians probably disagree with what it is doing, is acting legally. The current constitution says it can do these things. It is no use protesting that the constitution is an illegitimate child...

submit himself to a new presidential election at the same time. The parliament includes some friends of Mr. Yeltsin and quite a lot of proved waverers...

national consent, he will probably have to send in armed men to enforce his will. But not all of Russia's armed men will agree with what he is doing...

Other Comment

Too Soon to Leave Somalia

The United States refuses to turn tail and run from Somalia. President Bill Clinton, holding firm amid increased attacks on American soldiers...

At the 'Moscow School,' Democracy Is Redefined

By Dominique Moisi and Diana Pinto

GOLITSINA, Russia — Two years after the aborted push in Russia, what has happened to the Soviet democracy that was supposed to be the end of the end...

women, who already hold major responsibilities in the privatization of industry, sometimes for regions as large as European countries...

and the regions, and with parliament democracy serving as the motor. For an anguished West, constantly brooding over its own citizens' political disenchantment...

It is a curiously melodramatic argument. Nothing in Russia's present condition, or in Mr. Yeltsin's record, suggests that it is true...

International Herald Tribune advertisement listing staff members like Katharine Graham, Arthur Ochs Sulzberger, and Richard McLean.

Advertisement for the 'Moscow School' featuring Dominique Moisi and Diana Pinto, discussing democracy in Russia.

Historical snippets from 'IN OUR PAGES: 100, 75 AND 50 YEARS AGO' including '1893: Touchés Abound' and '1943: Red Army Victory'.

Why the Holocaust Keep Torturing

OPINION

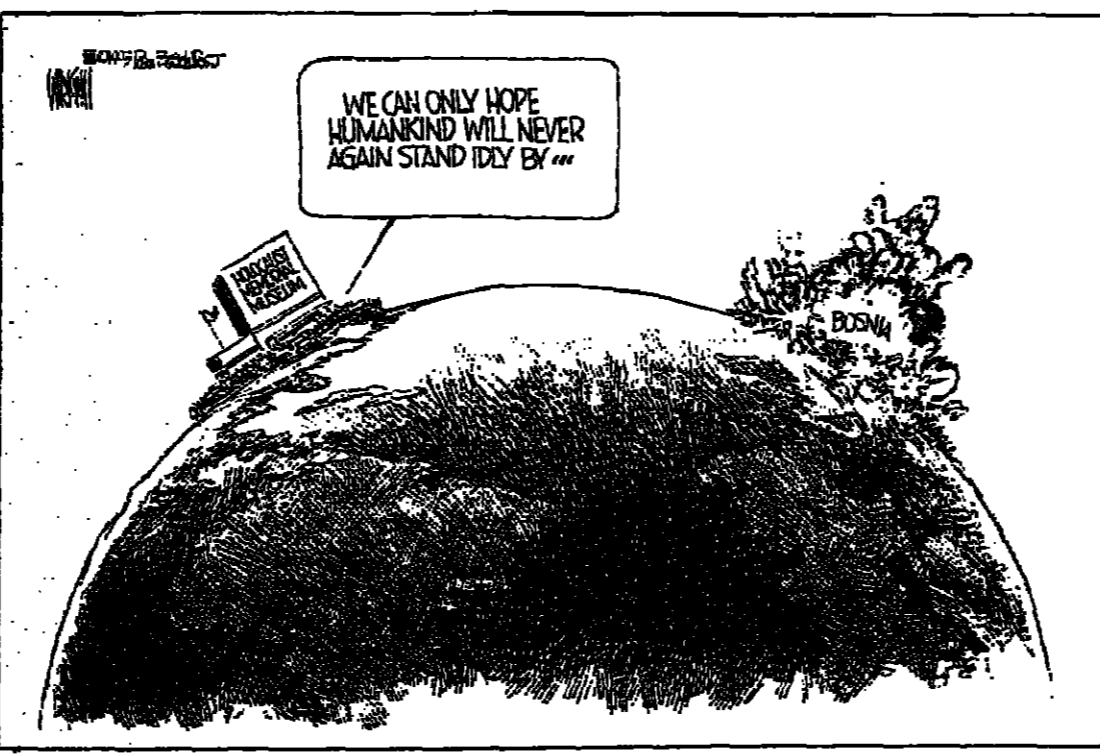
Why the Holocaust Deniers Keep Torturing the Past

By George F. Will

NEWPORT BEACH, California — Amid the genteel clink of restaurant lunch sounds, Mark Weber is having difficulty doing justice to his mission...

Holocaust deniers play upon contemporary society's tendency toward historical amnesia, and its muzzy notion of 'tolerance'...

and described in detail by victims, bystanders and perpetrators? Such a person tortures the past in the hope of making the future safe for torturers...



LETTERS TO THE EDITOR

The Hard Road to Peace

The recent tragic turn of events in Somalia holds an important lesson for us, one that Americans seem easily to forget: Genuine peace cannot be imposed on a people by force...

Consequences of Clinton

Regarding "Raining People Is Considered Sport" (Aug. 11): The late deputy White House counsel, Vincent Foster Jr., complained in his farewell note...

Long View of Longhand

Regarding "You Are What You Write" (Aug. 3) by Barry James: Congratulations on this excellent report of the box of graphology...

Epitaph for a Nazi Foe: 'A Little Piece of Justice'

By Thom Shanker

BERLIN — Some men lead lives of near cinematic perfection, so essential are they in place and time and action in history...

MEANWHILE

organizing the murder of six million Jews and plunging the rest of humanity into the bloodiest war of all time...

Even at 93, the sharp prosecutorial mind framed all the right questions: How do you convene a war crimes trial when the accused are winning the war?

The world is not as simple as during the Nuremberg process, and Mr. Kempner expressed doubts that there would be even a little piece of justice for victims of the Balkan conflict...

Again, it seemed, Mr. Kempner was turning to the law in his struggle against history's most polluted tides...

Holding a doctorate of law from the University of Freiburg, Mr. Kempner was, before World War II, counsel to the Prussian Interior Ministry...

In 1935, Mr. Kempner and his mother, the noted bacteriologist Lydia Kempner, whose seminal works on tuberculosis were torched at Nazi book-burning rallies...

Mr. Kempner was also prosecutor at cases for the murder of Anne Frank and for war crimes committed in the Warsaw Ghetto...

By that time, Mr. Kempner lived in Koenigsberg, outside Frankfurt, and had established a private legal practice where he specialized in restitution claims filed by victims of the Nazi era...

I had just come off a year covering the war in Bosnia-Herzegovina, and was trying to gain some perspective on this conflict, whose signature acts ignored human rights and the inviolability of national borders...

To that end, I attempted to track down the few surviving Nuremberg prosecutors to examine procedures for a war crimes prosecution that may or may not be convened for the politicians and generals and warlords of the former Yugoslavia...

Justice, said the finest honor for Mr. Kempner would be for others to "join his glorious battle against forgetting."

The writer is senior European correspondent for The Chicago Tribune. He contributed this comment to the International Herald Tribune.

Frank Crigler

Editor's Note: The writer, a professor of international relations at Simmons College, Boston, was U.S. ambassador to Somalia from 1987 to 1990.

Veronica Bernicke

Regarding "You Are What You Write" (Aug. 3) by Barry James: Congratulations on this excellent report of the box of graphology...

A. Bruck

Regarding "Raining People Is Considered Sport" (Aug. 11): The late deputy White House counsel, Vincent Foster Jr., complained in his farewell note...

Terence Hines

Regarding "You Are What You Write" (Aug. 3) by Barry James: Congratulations on this excellent report of the box of graphology...

Bosnian Airlift

One of the most despicable aspects of the Western reaction to the continuing horrendous saga in Bosnia is the recent sifting of the medical need to hospitals abroad...

Benefited from the "Crystal Night" of the Nov. 6, 1938, anti-Jewish rioting. If you guessed that the Jews benefited, you've got the drift of Holocaust "revisionism."

"Revisionism" is a term of scholarship hijacked by pseudo-scholarship in the service of anti-Semitism. Holocaust deniers present any conflict among, or amendment of, survivors' testimonies, or any historical refinement of previous understandings, as "proof" that the Holocaust is a myth...

The deniers' "arguments" always return to what Mr. Weber, like the Nazis, calls "the Jewish question of previous generations." The gas chambers were really show trials. Zyklon-B gas was too weak to kill. Or too powerful to use for mass murder...

For some people, historical partisanship, such as defending Richard III against the charge that he ordered the murder of the princes in the Tower, is a hobby. But what kind of person makes a career of denying the reality of an almost contemporary event that was recorded graphically, documented bureaucratically...

People as ignorant as that reporter know nothing, so they doubt everything except how sophisticated they are when they assume that nothing is certain...

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BOOKS

DOROTHY L. SAYERS: Her Life and Soul

By Barbara Reynolds. 398 pages. \$25.95. St. Martin's. Reviewed by Godfrey Hodgson

She could hardly sound stiffer. The daughter of an Oxford dean and daughter of the Church of England, she wrote mysteries about an aristocratic detective called whimsically — Lord Peter Wimsey...

son original plays on Christian subjects by professional writers for an annual festival.

The first was T. S. Eliot's "Murder in the Cathedral." The second was by Charles Williams, the poet and Christian philosopher. And it was Williams, who had admired "The Nine Tailors," who suggested Sayers' name for the third...

That led to a commission from the BBC to write 12 radio plays in modern, slangy English about the life of Christ. That scandalized the pious, but resulted in a memorable series, "The Man Born to Be King." She spent the last 12 years of her life, before she died at the age of 64 in 1957, working on her best-selling translation of Dante's "Divine Comedy."

intellect as androgynous, neither male nor female, but human.

Reynolds, a British Italian scholar who worked with Sayers on her Dante translation, has made the most of personal knowledge and access to Sayers' letters. Sayers was a woman with a gift for both work and joy bursting the chrysalis of a conventional upbringing...

Godfrey Hodgson, a British journalist, is the author of several books about U.S. politics and foreign policy. He wrote this for The Washington Post.

was down-to-earth. "Nobody cares nowadays," she wrote, if you say the Christ was "accommodated, railed upon, buffeted, mocked and crucified."

That shows realism, good theology, and also the unmistakable instinct of a born writer.

Godfrey Hodgson, a British journalist, is the author of several books about U.S. politics and foreign policy. He wrote this for The Washington Post.

CHESS

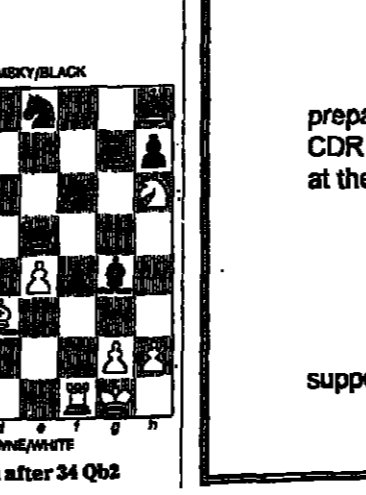
KING'S INDIAN DEFENSE

Table with chess notation: White, Black, White, Black. Moves listed in algebraic notation.

On 27...Nd7, Browne might have tried 28 Bf4, but after 28...g2 29 Rg3 Nh5 30 Be3 Ne5 31 Rf1 Ra3, Black has dynamic play...

WHAT THEY'RE READING

Geoffrey Bell, New York investment banker, has been reading "Full Faith and Credit," by L. William Seidman. Seidman tells the story of his work as a major player in resolving the S&L crisis...



REPUBLIC OF LEBANON MINISTRY OF NATIONAL EDUCATION & YOUTH & SPORTS COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT SPORT CITY PRE-QUALIFICATION OF CONTRACTORS

The Government of Lebanon, represented by the Ministry of National Education & Youth & Sports and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Construction of Beirut Sport City.

The Project will be financed by grants from Arab Countries. It will comprise the construction of the following main elements:

- a) A new olympic stadium for 50,000 seated spectators and its auxiliary services with an approximate built area of 60,000m² and about 27,000m² built-area of stands.
b) A new swimming olympic center comprising:
1- an open swimming pool for 2000 spectators
2- an open diving pool for 1000 spectators
3- a covered swimming pool for training. All the above cover an area of around 13,500 m².
c) An administrative building with an approximate built-up area of 2000 m².
d) An open tennis center comprising:
1- a central court for 4000 spectators and their auxiliary services
2- three other open tennis courts.
All the above cover an area of around 10,000 m².
e) The rehabilitation of an existing indoor sports facility for 4000 spectators with an approximate area of 7000 m².
f) A turf club with an approximate area of 10,000 m².
g) A hotel of 120 bedrooms.
h) The landscaping of the site (= 23 ha) consisting of the necessary network and infrastructure (roads, parking areas, piazza, green area, etc...)

The construction period is programmed for 24 months. The tender period will be from 2nd of January to 28th of February 1994.

Pre-qualification applications must be on the basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Three Thousand (3000 \$) effective September 1, 1993 at the following address:

Council for Development and Reconstruction Tallet El-Seraïl Beirut - Lebanon.

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Friday 15/10/93.

MIDEAST TALKS / CRITICAL JUNCTURE

Christopher Gave Process a Nudge in Shuttle Diplomacy

By Stephen Engelberg
New York Times Service

WASHINGTON — The breakthrough in the Middle East peace talks gained momentum from the shuttle diplomacy of Secretary of State Warren M. Christopher, with help from an international cast that included the foreign minister of Norway and President Hosni Mubarak of Egypt, according to American officials.

The officials gave the Palestinians and Israelis full credit for reaching preliminary agreements that could turn into historic accords. But they said that secret talks in Oslo between senior Palestinian and Israeli negotiators were moving slowly until Mr. Christopher's trip to the Middle East earlier this summer.

"They needed the United States to stimulate things," one official said. "They have all needed an awful lot of assurance and hand-holding from the United States."

The talks sponsored by the Norwegians were a closely guarded secret until Israeli newspapers reported last week that Foreign Minister Shimon Peres had met in Scandinavia with an official of the Palestine Liberation Organization.

American officials said Oslo had been chosen as a site because the PLO had an office there and because it was a good place for the Israelis and Palestinians to avoid being recognized.

Mr. Christopher's main contribution, the officials said, may have been to revive the long-stalled talks between Israel and Syria over the future of the Golan Heights. This appears to have encouraged the Palestinians to bring new energy to the Norway talks.

"The real movement began after the Christopher visit," an Israeli diplomat in Washington said Sunday.

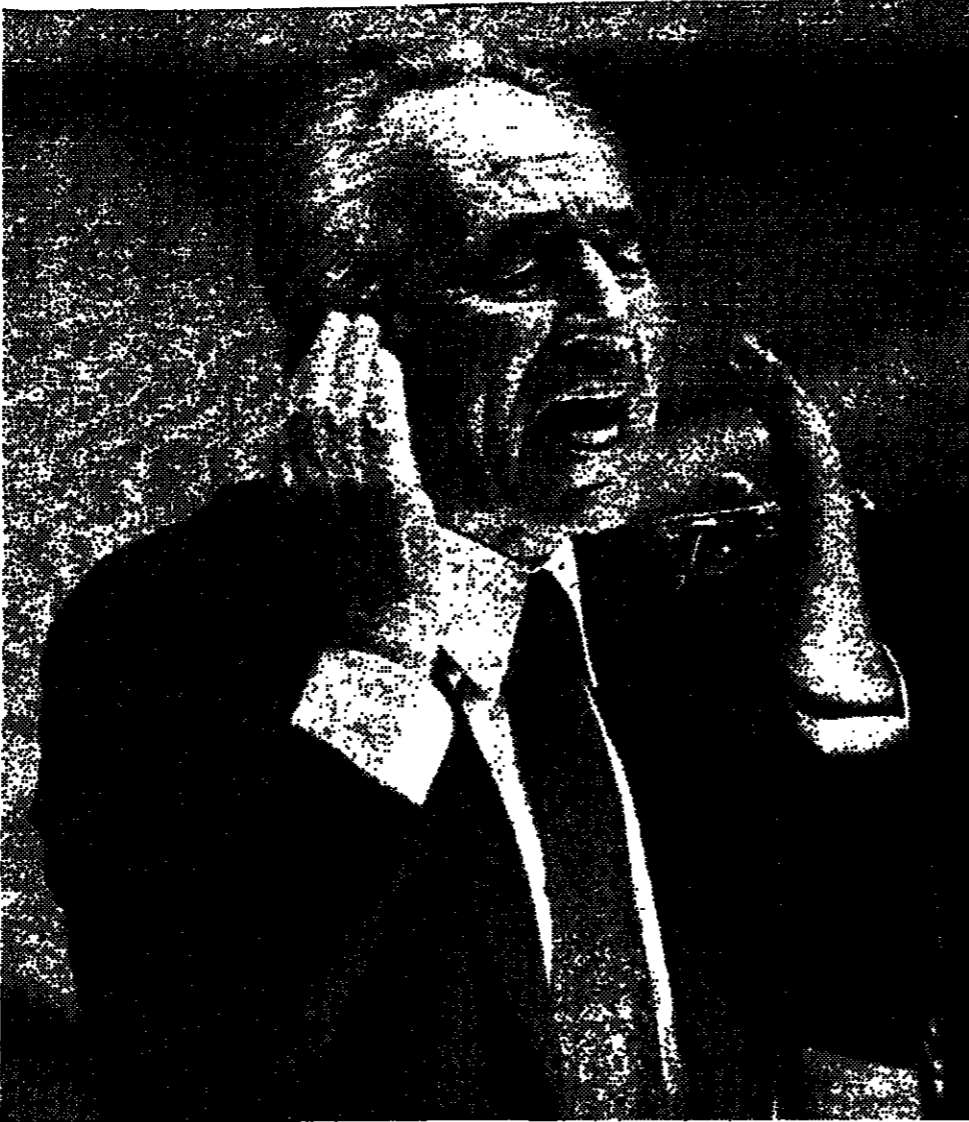
"My interpretation is that Arafat was alarmed by the prospect that Israel and Syria would run away with an agreement," he said, referring to the chairman of the PLO, Yasser Arafat. "They were afraid the train was leaving the station, and they did not want to repeat the Israel-Egypt experience."

Mr. Christopher traveled to the Middle East at the end of July amid clashes between Israel and pro-Iranian guerrillas in southern Lebanon. He visited Israel, Syria, Egypt and Lebanon. The American officials said the mission had been intended to assuage the anxieties of both the Israelis and the Palestinians after nearly 20 months of fruitless talks.

Jerusalem, they said, needed new assurances that it would not be abandoned by Washington. For their part, the Palestinians had to be convinced that the United States was truly an honest broker in the peace process. That fragile confidence had been undermined earlier this year by an American-drafted framework for peace that the Palestinians saw as leaning too close to the Israeli position.

American officials said the major success of Mr. Christopher's trip had been in persuading President Hafez Assad of Syria to move beyond his vague formulation that Israel can trade "full peace" for withdrawal from the strategic Golan Heights.

President Mubarak, they said, has played a crucial behind-the-scenes role in helping convince the Syrian leader that peace with the Israelis can be in his interest.



Foreign Minister Shimon Peres addressing the Israeli parliament in Jerusalem on the peace plan.

After the first of two meetings with Mr. Assad, Mr. Christopher declared, without providing details: "I think we have salvaged this process."

Shortly after he returned to Washington, American officials began reporting reports of progress in what was called the "Norwegian channel." Mr. Peres personally described details about what had

been agreed to and what remained on the table when he met with Mr. Christopher in Santa Barbara, California, on Friday.

Also attending the meeting was the Norwegian foreign minister, Johan Jorgen Holst.

The Israeli diplomat in Washington insisted that Mr. Peres did not seek any specific security or financial guarantees from Mr. Christo-

pher in their meeting.

It is already clear that American help will be needed to raise the money to underwrite Palestinian self-rule. American officials said preliminary work was already under way on an "empowerment fund" that would pay for education and health care in the territories governed by Palestinians.

Jericho Already Sees Arafat Settled In, but in Which House?

By Clyde Haberman
New York Times Service

JERICHO, Israeli-Occupied West Bank — Some folks already know where Yasser Arafat will settle in Jericho if the ballyhooed agreement with Israel comes true and Palestinian self-rule begins here and in the Gaza Strip.

He will move from Tunis into the big white house with green trim, they say, the one that sits in relative isolation on a low hill and could be easily cordoned off.

No, others say, the chairman of the Palestine Liberation Organization will take a more modest dwelling near a greenhouse off the main road. Wrong, still others insist, it's the house closer to the mosque.

A few people are betting that the PLO will renovate the old "winter palace" where King Abdullah of Jordan stayed, a hulking wreck of smashed windows, graffiti-scattered walls, desiccated grounds and battered Roman letters over the main entrance that say:

INTER PALACE

There is meager evidence that Mr. Arafat is even house-hunting. But that has not stopped real-estate prices from rising, already, or people from saying that he is surely on his way. Many are similarly confident that self-rule will kick-start the local economy and provide a first step toward an eventual Palestinian state.

Jericho keenly sensed something new in the air Monday, a notion enhanced by the platoons of television crews that descended on the normally somnolent town of 15,000 — more commotion, for all anyone knew, than at any point since Joshua fought the battle.

Still, no one was celebrating. People realize that a bargain is not yet sealed, and even if it does come, they are not about to bet their life savings that Israel will allow Palestinian authority to spread in short order from here across the West Bank. Should self-rule stop at Gaza and Jericho, they say, it would not be worth having.

"People want to believe, but they still have doubts," said Ahmed Kurishi, a tailor. "Me, too. I don't know. Peace is very nice, God willing, but how can anyone know?"

Rajai Abdo agreed. "It is very exciting," he said, "but we have to remain calm."

Mr. Abdo owns the only hotel in town, a 70-room building that had two or three guests overnight, an fair indicator of how tourism is doing these days.

"This plan of Gaza and Jericho first will be popular," he said.

lar," he said. "It's the only choice available to us. Personally, I think it's practical. But people lack confidence in their leadership, and so we must see."

This small city — some say it is the world's oldest — has the feel of a backwater. The six years of uprising against Israel have occasionally led to a hotbed of radicalism. It could not be more different from rolling green and flaming orange, where winter vacationers, used to come from Arab countries, especially Jordan, a few kilometers away across the Allenby Bridge spanning the Jordan River.

But that was before 1967 and the war that ended in six days with Jericho and the rest of the West Bank in Israeli hands. Arab tourism all but disappeared. Then, after the start of the uprising in December 1987, Israelis stopped coming in droves, as they had used to on journeys across the valley.

There are no factories and few business opportunities. Unemployment is put at 50 percent. That figure, if anything, has climbed since Israel closed off the territories in March after a wave of lethal anti-Israeli violence.

"My business gets worse day by day," said Isak Shawa, owner of a grocery store in the main square. "Most people buy only essentials like bread, eggs, milk and oil. And when they buy, it's more and more on credit."

What Mr. Shawa expects is a sudden infusion of outside money, from Arab countries, from Europe and even from Palestinians, who in some cases, he says, have been hiding their true wealth from the Israeli tax authorities. Indeed, Israeli officials assert that bringing in such help is a major goal. It is almost as important, he adds, as seeing Israeli soldiers and police officers march for good out of the fenced-in station across the square.

"Until these rich Arabs, the Saudis and others, supply us with money," he said, "we cannot stand on our own. We want to work hard, to be serious workers. But we do need support."

They are prepared to wait, some say, perhaps not endlessly but certainly for the months that it might take for self-rule to come and then for Mr. Arafat to arrive — assuming that the PLO and Israel recognize each other, as planned.

"This is our chance to prove that we can control our own lives," said Imad Saleem, a toy store owner.

PEACE: Israeli Government Approves Self-Rule for Jericho and Gaza

Continued from Page 1

signed with Egypt in 1978, when Likud was in power.

"The beginning of the end to the 100-year conflict between us and the Palestinians is coming," he said. As to accusations of having lied, he said:

"We did not try to deceive Jews or Palestinians. We want to live with them in peace. They are humans like us. We don't want to rule over them, to belittle them or treat them with contempt."

News agencies reported:

Prime Minister Rabin indicated earlier that he had turned to negotiations with the PLO after a local Palestinian leadership capable of negotiating on its own had failed to emerge.

However, his spokesman, Gad Ben-Ari, denied Israeli news reports that the cabinet would also be asked to vote on recognition of Mr. Arafat's PLO.

"At this point, I don't see it as an issue at all,"

he said. "It's not on the agenda. The cabinet is being asked to vote on the draft agreement, which will then be signed by the two delegations in Washington, hopefully this week."

Israeli sources said the PLO had first to amend its covenant to eliminate the idea of destroying the Jewish state by removing references to "armed struggle" and demands for Jews who immigrated after 1948 to return to their countries of origin.

Hannan Ashrawi, a spokeswoman for the Palestinian delegation who was reached by telephone in Washington, said it would "take time" to make changes in the PLO charter because it would require a meeting of the 451-member Palestine National Council or the 70-member Central Council.

Months of detailed negotiations were expected to follow any agreement in principle. Issues outstanding included the future of Israeli settlements, the extent of self-governing authority Palestinians will have in areas outside Gaza and

Jericho and cooperation on internal security.

Bassam Abu Sharif, a senior adviser to Mr. Arafat, said Palestinian negotiators expected to reach an agreement that, while preliminary, would be the first breakthrough after 22 months of talks.

"We feel we are five minutes away from the first concrete step to be taken on the road to establish peace," he told Israeli Radio.

"This is the breakthrough," agreed Health Minister Chaim Ramon on Israel television.

The opposition accused Mr. Rabin of misleading the Israeli people by ceding land and negotiating with the long-shunned PLO.

But a survey of 523 Israeli Jews published Monday by the biggest daily newspaper, Yedioth Ahronoth, showed that 53 percent of Israelis backed the "Gaza-Jericho first" proposal, with 45 percent opposed.

(AP, Reuters, AFP)

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(AP, Reuters, AFP)

PLO: Threat to Arafat

Continued from Page 1

side and outside to rise up swiftly to stop this malignant conspiracy," he said.

Mr. Jebri said that through the agreement, Mr. Arafat would put an end to the Palestinian uprising, or *intifada*, and had stalled proposals for a wider Palestinian dialogue over the talks with Israel.

Mr. Arafat, he said, had gone ahead with the plan despite Palestinians proving by strikes and sit-ins that they opposed it.

Mr. Nazari, the Hamas official, said personal ambition was behind Mr. Arafat's backing of the agreement.

"Arafat's dream has always been to be president of a Palestinian state," he said. And referring to Jericho he added: "He doesn't care if his authority only stretches over an area as tiny as this."

"We want the liberation of the whole of Palestine, not just part of it," said Souheil Natour, a spokesman for the Damascus-based radical wing of the Democratic Front for the Liberation of Palestine.

Four militant groups called at a Beirut news conference for a one-day general strike in all Palestinian refugee camps in Lebanon on Tuesday and demanded that the plan be discussed by the Palestinian parliament-in-exile. (Reuters, AP, AFP)

Clinton 'Very Hopeful' on Mideast Deal

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton praised the apparent breakthrough in Middle East peace talks on Monday but said it was premature to say whether it would lead the United States to resume its dialogue with the Palestine Liberation Organization.

"I am very much encouraged by what has happened there and very hopeful," Mr. Clinton said in response to a reporter's question at a photo session.

"The administration has worked hard to facilitate it," he said, "but ultimately whatever happens will have to be done by the parties themselves."

Asked if the United States might resume talks with the PLO, Mr. Clinton said, "If there is a new and different landscape in the Middle East, then I might be willing to entertain some questions."

He hastened to add: "I can't answer your question now. It's hypothetical and would only interfere with the discussions now going on. I don't think it's appropriate for the United States even to consider its own position here until the parties have a chance to work out a resolution of this."

"U.S. contacts with the PLO were discontinued under former President George Bush because of a dispute over PLO reaction to terrorist attacks in the Middle East."

(AP, Reuters)

Settlers Brand Rabin 'Traitor'

Compiled by Our Staff From Dispatches

JERUSALEM — Policemen used water cannons to battle settlers protesting outside Prime Minister Yitzhak Rabin's office on Monday as he proposed an accord for Palestinian autonomy to his cabinet.

More than 2,000 settlers chanting "Traitor! Traitor!" turned out from the Gaza Strip and the West Bank, where the Palestinians are set to assume limited autonomy.

Several people were injured and dozens dragged away and arrested as fighting erupted.

Some 400 policemen and border guards protected the prime minister's office against the settlers who carried placards accusing Mr. Rabin of "selling off" the territories under an accord between Israel and the Palestine Liberation Organization.

At the same time, a few dozen supporters of the peace agreement held a counterdemonstration on the other side of the road, which was completely blocked. Some of them were hit by stones thrown by settlers.

In Jericho, 20 right-wing demonstrators, including two members of parliament, moved into an old synagogue on the northern outskirts of the town and staged a sit-in. Israeli radio and television reported.

The army declared the town, which is scheduled to be the seat of the new governing body, a closed military area and was trying to get the squatters to leave voluntarily.

Earlier, the army said that it had removed a group of 80 settlers who had set up a new enclave in the occupied West Bank to protest the agreement on Palestinian self-rule. The Jewish nationalists set up the enclave Sunday with tents and a generator between the Palestinian cities of Hebron and Bethlehem, a military spokeswoman said.

About 100,000 national Jewish settlers live in fortified settlements among nearly 2 million Palestinians in the occupied West Bank and Gaza Strip.

In a related development, an extreme right-wing Jewish group said Monday that its followers had thrown a grenade at the house of Arye Deri, Israel's interior minister, as a warning to resign from the government over the new agreement.

A group which called itself "Repression of Traitors" known to be linked to the extremist Kach organization, took responsibility for the attack.

(AFP, Reuters, AP)

U.S. Hedges Offer of Troops for Bosnia

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton said Monday that he intended to provide U.S. troops to help enforce any Bosnian peace accord but would need assurances first that such a pact was fair and enforceable.

"I made clear last February and I will reiterate again that the United States is prepared to participate in a multinational effort to keep the peace in Bosnia," Mr. Clinton said during a brief White House news conference.

"But I want to see what the de-

tails are," he said. "I want to get a briefing on it, and I want to know that it will be enforceable. But I'm certainly open to that."

Although the United States said earlier this year that it would provide troops if an agreement were reached, questions had risen recently about the American position because so much has changed since the commitment was made.

The Vance-Owen plan basically preserving the integrity of the Bosnian state has been replaced by a proposal dividing the republic into three ethnically based states.

(Reuters, AP, AFP)

Warning to Muslims

Alan Riding of The New York Times reported from Geneva:

Bosnian Muslims return to the bargaining table here Tuesday, but a United Nations official gave them little hope of winning new concessions from Bosnian Serbs and Croats, noting that the international mediators were reluctant to renegotiate a peace plan drawn up earlier this month.

The official, who briefed reporters on condition that his name not be used, said that it might be possible "to fiddle a little bit here and there" with the draft peace agreement, but he added that the mediators felt it would be "dangerous" if any of the parties arrived with a list of new demands.

Discouraging the Bosnian Muslims from asking for anything significant, the official also noted that the Serbs and Croats "went the extra half-mile" and made concessions during the last negotiating session on Aug. 20.

"These concessions aren't going to stay on the table indefinitely," he warned.

The peace talks, originally scheduled to resume Monday, were postponed after Alija Izetbegovic, the president of Bosnia's Muslim-dominated government, was delayed in Sarajevo.

He is now due to meet the Bosnian Serbian and Croatian leaders and the presidents of Serbia, Croatia and Montenegro in Geneva on Tuesday.

Before leaving for Geneva, Mr. Izetbegovic told Sarajevo radio that the peace package being offered the Bosnian Muslims was "worse than war." And he added: "I feel like a thirsty man who somebody is sending to a desert to look for water."

This weekend, the Muslim-majority Bosnian parliament reluctantly endorsed partitioning Bosnia-Herzegovina into three autonomous ethnic republics, but it balked at the proposed borders of the republics and demanded more territory in eastern Bosnia as well as access to the Adriatic Sea at Neum.



A MOSQUE OPENS — A man observing a pool in the Grand Hassan II Mosque in Casablanca. One of Islam's biggest, which the Moroccan king was to dedicate Monday night, the prophet Mohammed's birthday, Hassan was to turn on a laser beam aimed toward the holy city of Mecca.

Russian Pullout Back on Track, Lithuania Says

By Fred Hiatt
Washington Post Service

MOSCOW — Russia and Lithuania, seeking to put their relations back on track, agreed Monday that all Russian forces would be withdrawn from the Baltic republic by Tuesday as originally planned, the Lithuanian president, Algirdas Brazauskas, said.

In an address on national radio, Mr. Brazauskas said President Boris N. Yeltsin of Russia had confirmed in a telephone conversation that the remaining troops — estimated at 2,500 one week ago — would pull out. The two presidents also rescheduled for next month a summit meeting that had been canceled last week.

"We managed to do this, although a week ago it seemed our relations had worsened considerably," Mr. Brazauskas said. "The withdrawal turns a new page in bilateral relations."

Russian officials here confirmed that the pullout would be completed "in the nearest future," although they declined to confirm

that the last Russian soldier would leave by Tuesday.

Just over a week ago, Russia had renounced its commitment to pull out troops by Aug. 31 and had accused Lithuania of sabotaging talks on bilateral negotiations. The renunciation, on Aug. 22, was accompanied by an aggressive warning to Lithuania not to stage any "provocations." It drew condemnations from Washington and other Western capitals as well as from Latvia and Estonia.

Vitali I. Churkin, a Russian deputy foreign minister, said in an interview on Friday that the troop withdrawal had been put back on schedule thanks to Lithuania's willingness to permit an "honorable departure, with all proper ceremonies." He also said that both countries had agreed to postpone discussions on financial compensation for past damages, an issue that had helped derail the talks.

Russian officials expressed dismay last week at the vigorous negative reaction in the West to their repudiation of the Aug. 31

timetable. American officials had threatened an aid cutoff if the withdrawal did not continue.

Also, Russia has been eager to reward Lithuania for what it sees as a friendlier stance than that of its two Baltic neighbors. Unlike Lithuania, Estonia and Latvia have refused to grant citizenship to most ethnic Russians living there.

For its part, the Lithuanian leadership has been attacked by domestic opponents as well as by many in Estonia and Latvia for what they viewed as a policy of appeasement toward Russia. Mr. Brazauskas, elected in part on a promise to work with the Baltics' giant neighbor to the east, was therefore eager to show that a nonconfrontational attitude could bring results.

Mr. Churkin said Lithuania had taken practical steps to help speed the withdrawal, including giving Russian officers the right to privatize their apartments and then sell them. Latvia and Estonia have not accorded such rights, he said.

Dutch Debate on Immigration

By Jeffrey Stalk
International Herald Tribune

AMSTERDAM — Dutch legislators will debate on Tuesday an immigration bill that one legal expert has called "the most serious discrimination law" in the Netherlands since World War II.

If passed in its current form, the law will make it more difficult for some asylum-seekers to obtain refugee status and make it easier for the government to deport those who do not.

The debate comes at a time when other countries in Western Europe have tightened their immigration policies against the flood of asylum-seekers from Eastern Europe, Africa and Asia.

Proponents of the bill argue that the numbers of cases of asylum-seekers has exploded and that something has to be done to streamline the costly and time-consuming procedures.

But the proposed law has generated vociferous opposition from politicians, human rights activists and some legal authorities, and put the ruling Chris-

tian Democrats, who support the measure, at loggerheads with some of their coalition partners in the Labor Party.

"This is a case of the government trying to keep foreigners out as much as possible," said Petra Catz of Amnesty International. "It says that the doors of Holland are open to refugees but that isn't true."

The proposed immigration law would establish a new category called "humanitarian status" for some of the thousands of asylum-seekers who arrive each year in the Netherlands.

Foreigners assigned this status would be allowed to remain in the country until the political and economic situation improves in their own country.

Afghan Is Injured In Blaze Linked To Neo-Nazis

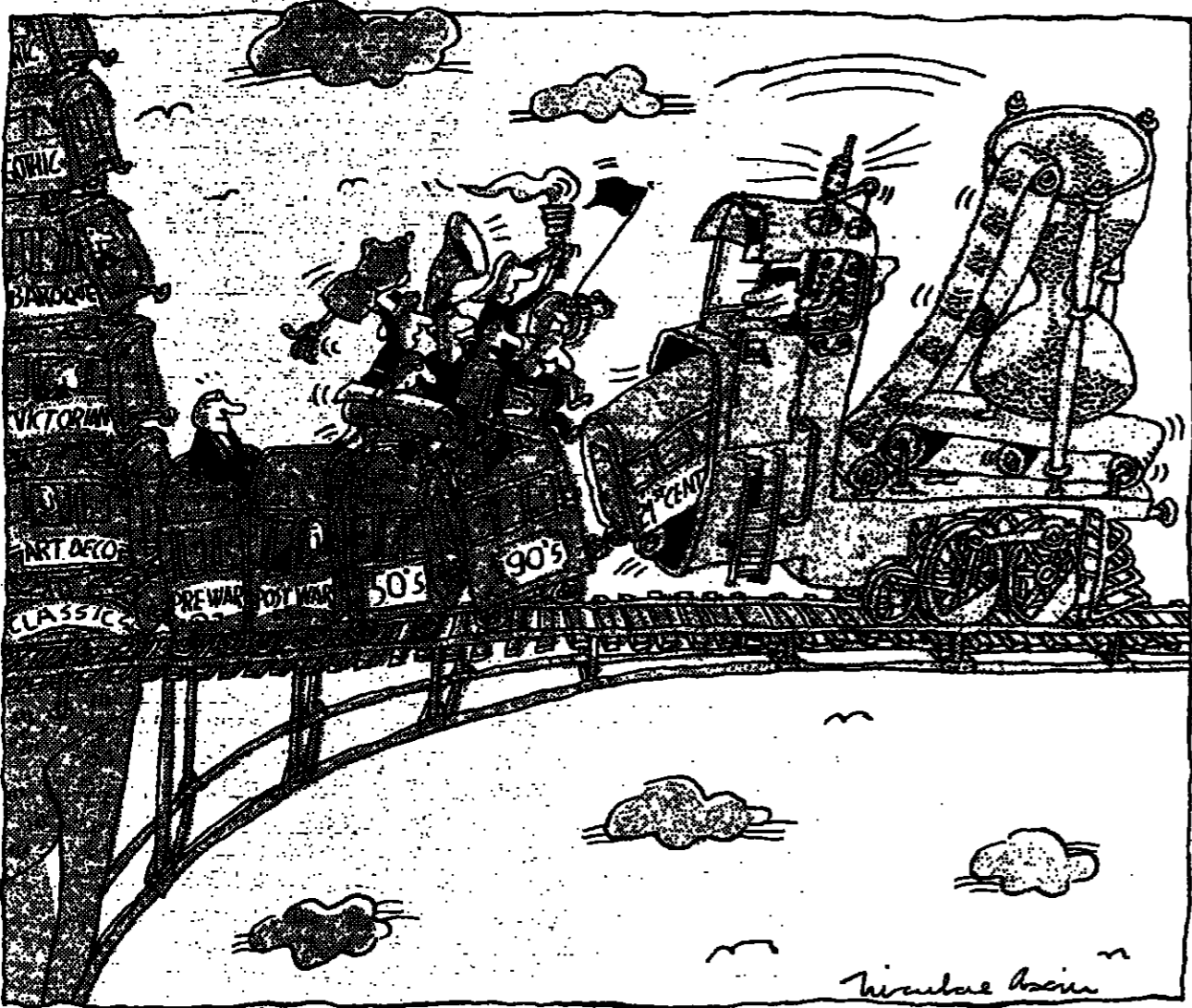
Compiled by Our Staff From Dispatches

BONN — Fire destroyed the residence of an Afghan store owner here Monday, seriously injuring the man, and the police said neo-Nazi had apparently set the pre-war blaze.

Swastikas and anti-foreigner slogans were found scrawled on an outside wall of the burned-out house in Idar-Oberstein, north of the West German city of Trier.

A 40-year-old Afghan immigrant who ran a street-level store and lived in the two-story building was seriously injured, the police in Trier said.

(AP, Reuters)



Wish Fulfillment: a Paris Specialty

By Patricia McColl

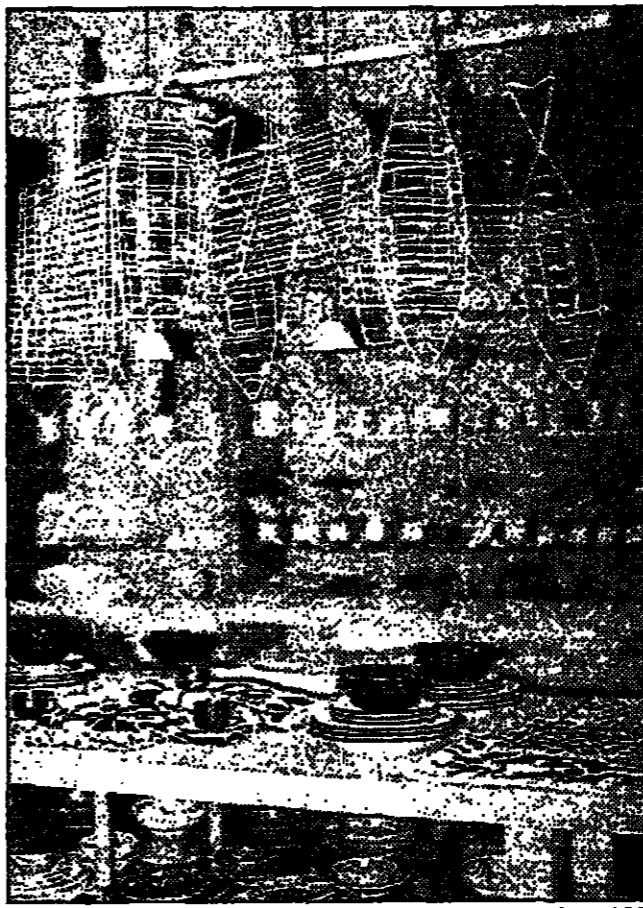
PARIS — What the French call *une envie* — a wish, a creative itch — determined the creation of four very different boutiques, each aimed more or less at a particular lifestyle.

For interior designer Sabine Marchal, who originally had her design studio and her *Nuit Blanche* boutique at separate locations in the 16th arrondissement, the wish was to have both under the same roof.

When a turn-of-the-century *crémier*, its high walls and ceilings framed in historic Art Nouveau floral tiles, became available just over a year ago on the Rue de Bourgogne, she moved in.

"I always felt that the decorating business and the boutique could be complementary," said Marchal, who has lined the walls of the shop with two fabrics of her own design and covered floors with a flower-splattered pale green carpet, again her own design.

At the original *Nuit Blanche*, the emphasis was on the bedroom and bathroom with luxurious sheets, lush towels, decorative pillows and small accessories the merchandise mix.



For the country kitchen, fish steamers at Autrement.

Here, casual shoppers who push open the door of the boutique might think they had wandered by mistake into someone's chic cozy living room. There is usually a deep sofa flounced and frilled in a colorful printed pattern; low slipper chairs fringed with passementerie; glass-fronted china cabinets filled with pretty tea services; low butler's trays topped with scented candles, small pewter tumblers and even a coffee-table book: "The Art of Passementerie" co-authored by Marchal.

The ambience is one Marchal echoes in her decorating: "I love color. Warmth. Even if it was done yesterday, a house should look as if it has been lived in for at least 15 years. If someone asked me to do a contemporary or all-white house, I'd be very unhappy."

"There are no rules in this business," she continued. "One day, we can sell a very expensive custom-made sofa; the next day, a hand-painted door stopper for 50 francs (\$8.50)."

She has the doorstops made exclusively for her in India. No two are alike and at the 50 franc price tag, an initial order sold out in a few days. Other favorites are passementerie trimmed paper baskets (1,200 francs), ashtrays hand-painted with the insignia of the Legion of Honor — "for the man

who has one or wishes he has" — at 950 francs or 275 francs for one of those small pewter tumblers. After 25 years of specializing in what manager Nathalie Granger calls "the last word in casseroles" sold in a clinical high-tech ambience, the owners of *Kitchen Bazaar* wanted something else. The result: *Autrement* at 6 Avenue du Maine.

As at *Kitchen Bazaar*, everything is kitchen oriented but with a difference. *Kitchen Bazaar* is for the serious chef; *Autrement* for the country kitchen.

"We wanted kitchen items with a history," said Granger, pointing out thick blue plates and casseroles from Vermont's Bennington Pottery, established in 1896; water-proof wicker baskets used for the herring catch by English fishermen for hundreds of years; carved teak bowls from Kenya or the clay *diabolo*, an old-fashioned way of cooking potatoes.

Long wooden tables, thick polished slabs of blond oak, and a stone floor add to the rustic kitchen

opened at 50 Rue Etienne Marcel opened four years ago, passersby didn't know what to make of it.

"We would see these bewildered looking faces peering in," said Frédéric de Luca, co-owner with Roland Beaufre.

De Luca has a hard time defining what "En Attendant les Barbares" is. "It isn't a gallery, although we have some one-of-a-kind and limited edition pieces. It isn't a boutique. Just call it a store."

What de Luca and Beaufre wanted coincided with what other young avant-garde designers like Mattia Bonetti and Elisabeth Garouste were feeling at the time; even jewelry designers Patrick Rétil and Migeon et Migeon felt the urge to expand into decorative objects.

"Our aim was a place full of color; a place almost like the flea market where the fun is in finding the object," said de Luca.

A perennial hot item is Garouste and Bonetti's "moon" lamp, a full moon of frosted glass set in a gold resin base at 3,500 francs. A hot pink resin soap dish from the same design duo: 250 francs.

MAISON de Famille at 29 Rue Saint-Sulpice, is as "down home" as En Attendant les Barbares is sophisticated.

Opened in April by Nanou Crepin, the boutique has everything for a weekend house, or a relaxed city one, including what to wear. Clothes, however, are secondary to house-related items.

First-timers to the boutique are in for a surprise. The narrow maze-like entrance faced with a display window or two opens into an airy, three-level space with turn-of-the-century Malaysian tub chairs, glassware, hand-painted plates and kitchen utensils on the first floor; bed linens, patchwork quilts and tablecloths on the second floor and casual weekend clothes on the top level.

Kilims cover the cement floors, linen tea towels tumble from overstuffed armchairs while on the second floor, a carved rosewood four-poster bed almost disappears under a load of pillows and extra blankets. As at *Nuit Blanche*, everything is for sale (price of the bed: 12,500 francs).

"A staircase in a boutique is always a risk," said Crepin, but from the first, customers haven't hesitated to climb up to the top levels."

Patricia McColl is a freelance writer based in Paris.

Clear the Track! It's Another Trend

By Marian McEvoy

NEW YORK — Mosquitoes and monsoons aside, fashionable trends are the most relentless force on earth. They never stand still, they're not often swayed by logic, and they're around — and will be around — a lot longer than any of us.

Like them or not, style trends affect art, business practices, comic strips, open, exercise equipment, biographies, rock videos, architecture, snack foods, poetry, swimsuits, movies, morals and heretofore borders. Fashionable trends are a potent force of life; they never stop germinating, and they never stop separating the hip from the hopeless. Taken too far, following fashion can lead to ridiculousness, but played with cleverly, style trends can be manna for those prone to new ideas, adventure, and the shedding of old skin. Acknowledging an inevitable trend not only wards off *à la mode* but also leads to a better understanding of the time we live in.

There is no real trend that isn't based on some sort of gut-level reaction to a current event or sentiment. Historians relate seemingly trivial details such as hood heights, skirt lengths and lapel widths to times of war, depression, recession and class struggle. The world's top chefs have always concocted new dishes taking into account people's changing views on health, eroticism, sensuality and sobriety. Movie makers and magazine publishers make it or break it depending on how well they understand the mood of the moment. And, since the end of the '80s the world's best decorators have managed to turn the rather stodgy world of lampshades and love seats into a truly topical arena.

By encouraging design influences from countries beyond England, France and Italy, decorating pros are actually giving the go-ahead to a whole new generation of well-traveled, curious

younger people who are mixing new finds with inherited antiques. This new crop of homeowners and adorners is not into overkill glitz or shoddy knockoffs; they think that flagrant, costly-looking objects and treatments look crass, (and cheap-looking imitations look pitiful).

For 1993-94, over-polished surfaces; most gilt, all large satin-covered modular sofas; deeply lacquered walls; entertainment centers made of plastic-looking wood; obelisks; oil portraits and bronze busts of people who aren't your relatives; tricky track lighting; animal-fur rugs and throws; dust ruffles; huge, low coffee tables; and big, new round marble bathtubs look pretty nifty. And they sure don't appeal to an audience steeped in eco awareness, a growing family and a powerful will to decorate in a manner that their mothers wouldn't dream of. And now that trendy decorating is relatively gilt-free, refurbishing, repainting, reupholstering and rethinking the way we live is a lot more fun than it was 10 years ago.

What do we have to choose from? Plenty. Let's start with color — lots of new colors, actually. Consider hot coral pink, flagrant chartreuse, intense marigold and hyper-turquoise teamed with black, or white, or both. If that's too raucous a palette, why not juxtapose tones of buff, cream, vanilla and eggshell in the same room? Why not paint every room in the house a different color?

New furniture styles? Yes! The biggest new trend is Colonial — and I don't mean American. Think Raj India. And Dutch Ceylon. And the Caribbean Islands when pirates used to anchor there. Teak plantation chairs, camp desks and mahogany four-poster beds with pineapple motifs are extremely desirable. Also hot: Syrian, mother-of-pearl inlaid chairs and small tables; and high-end '40s and '50s pieces from Italy and France. There's nothing chummy or kitschy about these lamps and furnishings by Jean Prouvé, Charlotte Perriand, Carlo Molino and Gio

Ponti. (They've done splendidly at auction recently, and good knockoffs can't be far behind.) Upholstery directions? Bold, exotic and surprising: in the form of primary-toned awning stripes on white; rich, vivid batik and North African patterns; and, why not? — huge floral prints (hydrangeas look particularly fab now.)

On the floor, walls and curtains — sisal and coir carpeting, grass cloth wallpaper and straw fringe and wooden bead trim outdistance more traditional, precious material.

W HIMSICAL touches? Plenty. Think about trading in sofas for daybeds; display a large, rustic looking old bird cage (preferably occupied); stack antique architectural fragments on the floor, on a round table, or mount them on a wall; buy black and white drawings by contemporary artists; get a few medium-sized shag carpets in upbeat colors; invest in a tall, four-panel screen; collect a few smallish ottomans that can be used for any occasion; and, finally, order a set of crayon-colored dishes from one of the many catalogues featuring them this season.

If you feel like changing only one room, pick the dining room. It's back in style. If you have one, use it; if you don't, designate a specific dining space in your living room, library or even bedroom. Procure a real table — round is best. Find at least six wood or metal chairs that look happy together. Make a fragrant pot-au-feu and light the candles. Invite your mother over. When she arrives in your sisal carpeted, chartreuse and coral-colored house furnished with daybeds, Syrian chairs, birdcages, Ceylonese lounges, awning-striped curtains and batik-covered ottomans, you can reassure her by serving an old-fashioned meal in a newly fashionable old-fashioned dining room. Tell her it's a trend.

Marian McEvoy is editor-in-chief of Elle Decor.

French Cultural Quirks, Spoon-Fed

Continued from Page 1

are paying someone who knows the ropes.

"I put a lot of emphasis on Louis XIV," says Platt, who uses rather crude poster-sized flip charts to help make her points. "Protocol was so elaborate and important then. For example, while a royal princess could receive a cardinal, but not go to the door to let him in, the cardinal couldn't enter unless he was shown every courtesy. So how did they manage to see each other? She had to pretend she was sick in bed. That solution, gave them both a way out. The princess couldn't get up, and he couldn't expect her to."

Platt established her company after attending similar classes offered by another American expatriate, Grey Tischbirek. If her old teacher finds the name Platt chose, Culture Crossings, too close to her own — Cross-Cultural Consulting — it is certainly understandable. In any case there is no love lost between the two women, both of whom trained at Georgetown University.

Meanwhile, in a handsomely wooded, 25-acre park in the Loire Valley, Japanese women come to soak up French culture in the hotel-restaurant owned and run by Minko Imada, who can spin sugar, literally, into a quite unbelievable replica of a 400-year-old castle quicker than you can say Villandry.

Several factors have made Imada something of a celebrity in her own town: her "cake school" in the central Hamajuku quarter of Tokyo (Roselle is seen as the finishing school to which one advances); her television appearances; and her sumptuously illustrated cookbooks with recipes for Diane de Poitiers' chesscake, Ludwig II's choux swans and Catherine de Medici's sabayon. Further bolstering her fame and authority is a line of sugar and flour (the secret is in the percentage of Western White wheat) sold exclusively at the school.

Madame Imada loves Occidental history, is fanatic about 18th-century France, and is especially passionate about Marie Antoinette.

ette," says Yukiko Oshima, who works out of a Paris office as Imada's Tokyo-Collettes intermediary. Imada was looking for property to buy in France when she fell on Roselle. She considers the rose her flower — the building that houses the classroom in Japan is called La Maison de la Rose — and she found in the name Roselle reason enough to buy it.

One of Oshima's jobs is to get local Loire aristocracy to come in and unravel for students the complexity of *le style Saint-Laurent* and the nuances of silk *jacquards*. "But even I ask myself why these Japanese women want to know what to wear to a wedding," she says. "They'll never be invited to one. But apparently it interests them."

The tiny Paris dealer Oliver Aaron and the furniture expert and author Bill Pallot talk on antiques, the resident chef Bernard Noël (late of the Tour d'Argent and the Chateau Rouge in Dijon) hosts demonstrations, and the spouses of former government ministers recount their rich and privileged lives. The Comtesse de Croisy-Chaigny of nearby Chateau de Montazuc details her experience as the wife of the former French ambassador to Belgium.

Pupils may also attend a ritualist ceremony, complete with tasting, in which knights are inducted into a Chinese wine society. Finally, they are asked into private homes in the region to witness the practical application of what they have learned — coffee served in the salon, never

at table, that sort of thing. Graduates hear a small speech by Imada before being called up one by one to receive their diplomas from, perhaps, a neighborhood duke, brought in to lend weight.

Platt hopes to fill a book with her do's and don'ts. Don't take off your jacket unless invited to by your host. Don't go to the bathroom, ever. ("This also goes back to Versailles. You must simply train yourself not to go. It's too complicated to explain. I would need a week.") Don't serve egg dishes or a soup as a first course. Don't hack the tip off a wedge of brie. ("The French just wait for Americans to do it so they can laugh their heads off.") Don't ask your hostess for a recipe.

On the other hand, do instantly express appreciation of the food (if good). As the woman of the house, do seat any church official on your right. Otherwise, he might turn his

plate over and refuse to be served. Flowers are a mine field. Chrysanthemums are for funerals (this would probably be true in any Catholic country). Yellow means the host has a mistress. Carnations are bad luck.

"Flowers are not always welcome in France," says Platt. "The hostess will probably prefer to look after the roast and guests rather than look for a vase. In high society, they are a ludicrous gesture. If you are uncertain about whether to bring something, err with chocolate. For heaven's sake don't bring wine. I have the hardest time convincing Americans not to bring anything."

Christopher Petkamas is writing a history of the New York decorating firm Parish-Hadley, and a book on the culture of cuisine in Provence.

On October 22nd, the IHT will publish an Advertising Section on

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- Among the topics to be covered are:
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This section coincides with Orgatech in Cologne, October 22-27. For advertising information, please contact Juanita Caspan in Paris at (33-1) 46 37 93 76.

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POWERHOUSE OF THE '90s

More than any other country in Southeast Asia, Malaysia has been able to balance rapid economic growth with social, religious and environmental considerations. It has taken nearly 30 years to achieve this symmetry, and the task is not yet complete. Major challenges lie ahead as Malaysia looks toward the 21st century.

REAPING THE BENEFITS OF AN ECONOMIC OVERHAUL

Other parts of the developing world are growing just as fast as Malaysia, and other countries have achieved a higher profile of success. It would be difficult, however, to find a place with better economic numbers.

Malaysia's gross domestic product is growing at a steady clip of 8 percent a year, while the gross national product is expected to reach \$3,000 per capita this year — nearly double that of Thailand and far ahead of other regional rivals like Indonesia (\$645) and the Philippines (\$835).

Exports topped \$41 billion in the 12-month period prior to last April, a figure better than that of any other nation in Southeast Asia except Singapore (\$63 billion), which chalked up much of its trade total in re-exports rather than locally produced goods.

Inflation is running at a modest 5.3 percent annually, and the foreign debt is a relatively small \$15.8 billion, which pales in contrast to what the competition owes (Indonesia: \$70 billion; the Philippines: \$29.8 billion; Thailand: \$27.3 billion).

The lifestyle picture is also rosy. Malaysia's education and health-care systems are considered among the best in Southeast Asia.

As the country's literacy rate creeps upward, the infant-mortality rate

has taken a dramatic plunge.

People also have more money in their pockets. This is true not just for the elite, but also for a middle class that has been growing by leaps and bounds, especially in big cities like Kuala Lumpur, Penang and Johor, where the fruits of the industrial revolution are most evident.

Malaysians are now buying more than 100,000 new cars each year, and there are equally buoyant sales of other consumer items like refrigerators, air-conditioners, television sets and videocassette recorders.

At the same time, Malaysia has been able to avoid the religious strife and ethnic violence that plague so many of its Asian neighbors, despite a highly diverse population of 18 million people that includes Malays (59 percent), Chinese (32 percent) and Indians (9 percent).

"I believe it is a question of leadership," says Tajudin bin Ramli, chairman and chief executive officer of Technology Resources Industries Berhad, one of Malaysia's fastest growing communications companies.

"Our leadership has allowed people to expand their horizons by providing the platform for people to move forward. The Malaysian government has done a

Continued on Page V

Y S I A



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SAVING THE WILDERNESS: AN ECOTOURISM LABORATORY

The modern tourism industry faces a conundrum: How does one cater to travelers clamoring for places where the culture and environment are untouched without altering those destinations? The problem is called the "loving-a-places-to-death" syndrome, and the antidote to it is called "ecotourism."

Malaysia — especially the virtually unspoiled peninsula — is an ideal laboratory for implementing ecotourism. Its rain forests and coral reefs are among the richest habitats in the world. "With more than a third of the country still covered with tropical virgin forests, it is only fitting that we should highlight our natural resources," says Sabbaruddin Chik, Malaysia's minister for culture, arts and tourism.

The World Wildlife Fund defines ecotourism as "any

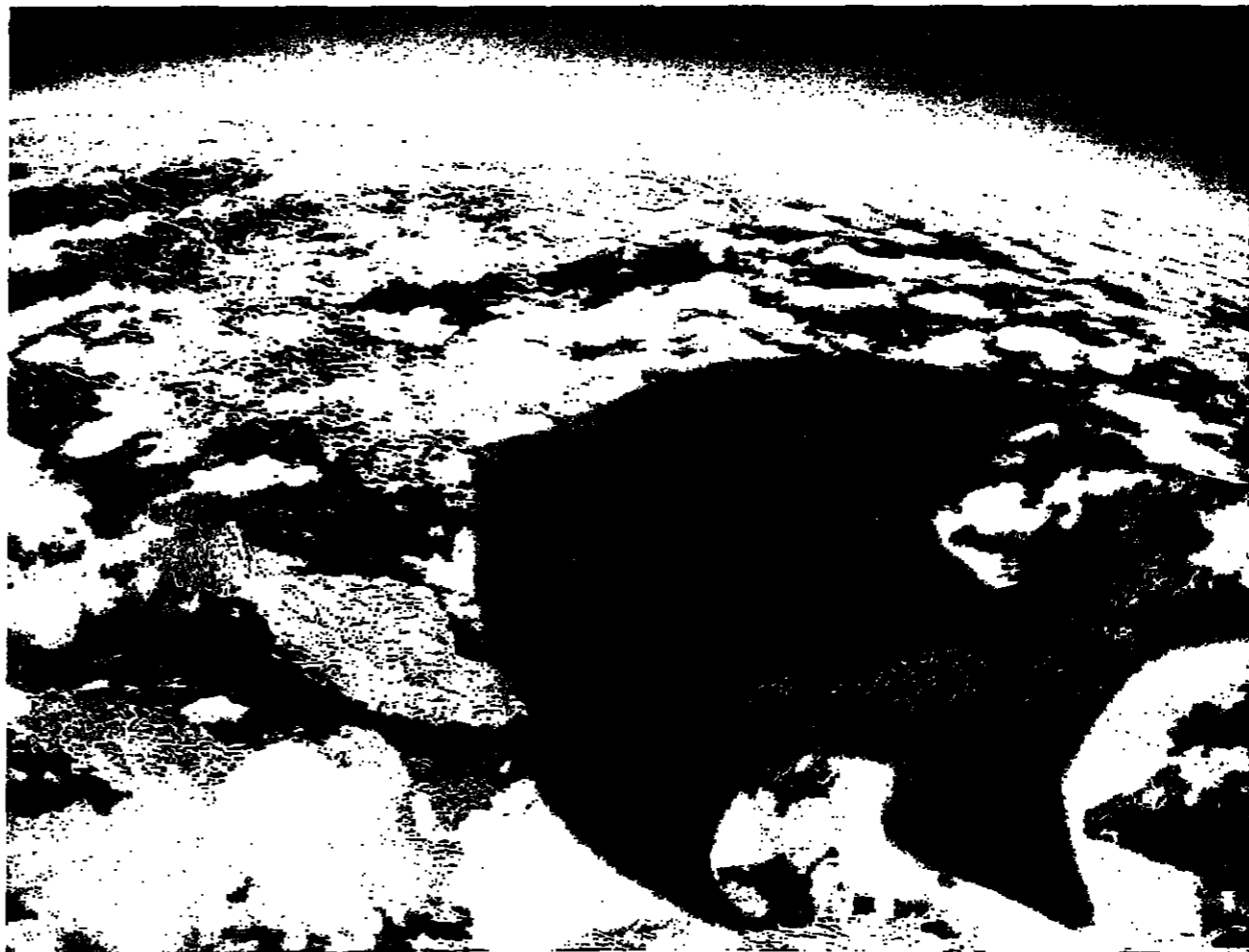
kind of tourism that involves nature." The travel industry has used the term to describe everything from cruise ships to wilderness-survival packages. The aim of serious ecotourism is to conserve the natural environment and the well-being of local people through responsible travel.

"Good or bad, tourism's global impact is momentous," says David Western of Wildlife Conservation International. Mr. Western is currently president of the Ecotourism Society. "The social and environmental costs of tourism can be ruinous," he says. "Skin divers and coral collectors have destroyed many Caribbean coral reefs. Tourism [could mean] saving wildlife, wilderness, cultural artifacts and ancient traditions that would otherwise be destroyed by fields, cities and the welter of humanity."

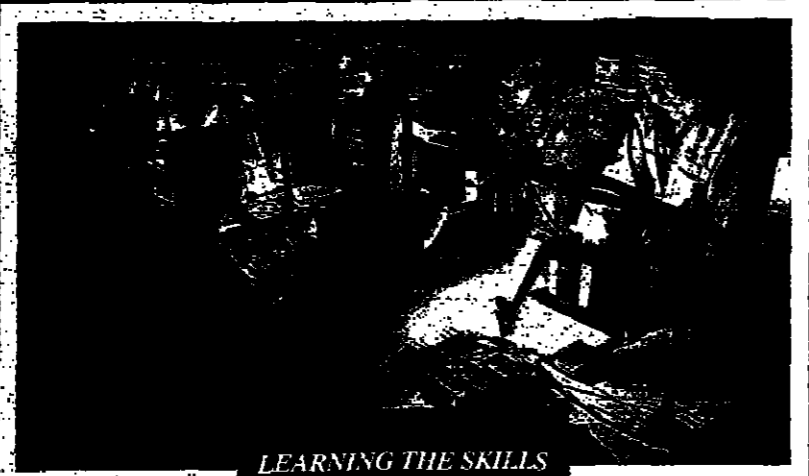
Tourism is expected to be the leading industry worldwide by the year 2000. Already, \$3 trillion in trade each year and 3.7 percent of all employment comes from tourism. The impact is greatest in the developing world, where expenditures of more than \$55 billion bring about a major transfer of wealth from rich to poor countries.

In Malaysia, tourism is the third-biggest foreign-exchange earner, after manufacturing and petroleum;

Continued on Page VI



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ADVERTISING SECTION
PRIME MINISTER
Malaysia's Prime Minister Mahathir bin Muhammad has traveled extensively throughout Europe and Asia promoting Malaysia as an investment haven and free trade. The following excerpts from his remarks to a group of European business executives shed light on his aspirations for his country and the Asian region.
Today, Malaysia is the only growing economy in the region. The apparent success of the Asian Tiger economies is a result of the light touch government and collaboration with the private sector. Malaysia has been on the forefront of the ASEAN free trade agreement. Effective free trade agreements will stimulate economic growth and eventually lead to a trade bloc that will move the Asian region towards a more open and competitive market. We will continue to work with the world community to ensure that we have a strong and large market for our products. Malaysia is a free trade zone and we are open to all countries. We have a good track record in attracting foreign investment and we will continue to do so. We are committed to the development of our country and we will continue to work with the world community to ensure that we have a strong and large market for our products. Malaysia is a free trade zone and we are open to all countries. We have a good track record in attracting foreign investment and we will continue to do so.

Message from Group Executive Chairman

It is my pleasure to announce that the Group has achieved a record performance in 1993. This is a testament to the hard work and dedication of our employees and the support of our shareholders. We are committed to continuing our growth and development in the region and we will continue to work with the world community to ensure that we have a strong and large market for our products. Malaysia is a free trade zone and we are open to all countries. We have a good track record in attracting foreign investment and we will continue to do so.

ADVERTISING SECTION

ADVERTISING SECTION

PRIME MINISTER'S VISION FOR THE YEAR 2020: 'IS THAT TOO MUCH TO ASK?'

Malaysia's Prime Minister Mahathir bin Mohamad has traveled extensively throughout Europe and Asia, promoting Malaysia as an investment haven and voicing his support for free trade. The following excerpts from his remarks to a group of European business executives shed light on his aspirations for his country and the Asian region.

Today, Malaysia is said to be one of the fastest-growing economies. This apparent success can be attributed to many factors. What I would like to highlight, however, is the model of close cooperation and collaboration we have evolved with our neighbors in the Association of Southeast Asian Nations: ASEAN today has reached agreement on a Common Effective Preferential Tariff scheme, currently being implemented, which will eventually evolve into a free-trade area. This is not a trade bloc. It is nothing more than enlarging the domestic markets of member countries so as to be almost as big as those of the rich countries. The markets of ASEAN countries will remain open for we are all dependent on outside trade. Groupings such as these will continue to be formed, especially as smaller countries feel left out of the mainstream of world economic development. But at the same time, we have to think of the large trade blocs, which are also being formed.

Market-access barriers, although finally erected by governments, are not initiated by them. They have generally been instituted at the request of industries themselves for their own protection. For countries with small domestic markets, however, it would be fatal to pursue this course of action, as a retaliatory response by larger markets would be disastrous.

The world should be our

market. To adapt to an inward-looking trading policy is only to shackle our hands and limit our ability to create an economy that is vibrant and resilient. Therefore, it is imperative that industries in such countries be prepared and be confident enough to request their governments to dismantle barriers in favor of free trade. It is the only way that contributes toward a more liberal world trading system. At the same time, it is equally important for us to

'Protectionism will impoverish everyone'

promote the principles of GATT and do everything to ensure the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations and reverse the trend toward protectionism through trading blocs.

The European Community is the largest trading group in the world. It accounts for about two-fifths of global trade. Therefore, European trade policies will have a large impact on the evolution of a liberal global trading system. The non-European trading countries have expressed concern over the ramifications of a single Europe and its proposal to establish the European Economic Area with the inclusion of the seven European Free Trade Area member countries. Almost as a reaction to this development, we have now witnessed the establishment of the North American Free Trade Agreement. A fortress Europe will definitely result in a fortress America.

In the last 10 years, we have witnessed the centrally planned economies

switching to market economies. As the basis of relationships between countries shifts away from a purely political one to a more economic one, we will see the liberation of those smaller economies willing to become productive and competitive. In this new relationship, power can only be realized within a framework of mutual respect and trust, but never through force or coercion in any form.

With the democratic liberation of countries and economies, what will happen if the Uruguay Round fails and various trading blocs are formed? I expect a chain reaction of protectionism worldwide. More groups and blocs will form a defensive posture. But we must remember that a fortress not only protects but also cuts off the occupants from the outside world. In trying to exact a price from the outside, those inside will have to pay a price, too. Protectionism will therefore impoverish everyone.

There is an alternative — that of trade liberalization. The Uruguay Round seeks it, and we should all work hard to realize it. Regionalism, or the formation of regional trading areas, need not become protectionist. Trading groups can become trade-liberalizing to enhance a region's competitiveness. This is our vision for the ASEAN Free-Trade Area. It is intended to reduce trade barriers and make ASEAN a more competitive trading partner in the world. This is the only alternative that the world can adopt to safeguard the trading environment.

Economics cannot, however, be divorced from politics. While we all preach a freer trading environment, another side of life needs equal attention. Poverty, starvation and hunger are still very real in our modern world. Let us not become a world where, in the same city in which

people wine and dine in splendor, there is stark poverty and homelessness. In many ways, the modern world has allowed such contradictions. But is that what we want?

At least, on behalf of all Malaysians, I can confidently say that we have rejected this. We have opted for a developed society where we are also caring and sharing people — a nation where there is no abject, uncared-for poverty. We believe justice should have an equitable face, but can we expect that in our new world order? Can we truly dream of a new world order where every human

being has his place under the sun? Is this too much to ask? We do not think so. In Malaysia, we have a vision called "Vision 2020" — i.e., we expect to be a developed country by 2020. We will work hard to achieve our vision, but much depends on the world community and the attitudes of the powers-that-be toward us. If at times we speak strongly, it is because we feel concerned over our own fate. If this concern coincides with that of others, it is not by design. It is because we belong to that category of nations that are the have-nots of this world.

Compiled by T.A.



**PRIME MINISTER
MAHATHIR:
'IF AT TIMES
WE SPEAK
STRONGLY,
IT IS BECAUSE OF
CONCERN OVER
OUR OWN FATE'**

OFFSHORE OPPORTUNITIES FOR INVESTORS: LABUAN GOES ONE BETTER

Off the coast of Sabah, a revolution is taking place. Labuan Island, a Malaysian federal territory, is being transformed from a serene tropical paradise where shipping and light industry kept the economy going to a bustling hub for the offshore financial industry.

Over the next four years, a financial park will rise in the center of Labuan town, with three office blocks, two blocks of luxury apartments, an auditorium, and shopping and recreational facilities. Hotel capacity will be tripled, and state-of-the-art communications will be put in place.

Just a few kilometers from Sabah and Brunei Darussalam off the Bornean coast, Labuan is less than three hours by plane from most capitals of the Association of Southeast Asian Nations.

"We need to stimulate the financial sector," says Malaysia's Prime Minister Mahathir bin Mohamad. "It seems logical that Labuan, which is already a

free port, should be converted to an offshore financial center."

With Singapore and Hong Kong already established as regional financial centers, one might legitimately ask if there is room for yet another financial hub in Southeast Asia.

"We are not ready to compete with Singapore or

Long before any ground was broken, the center's policy framework was hammered out. Labuan was given the status of an International Offshore Financial Center on Oct. 1, 1990. This means that it offers either low taxes or none at all on income, profit or dividend and interest earned or derived

public inspection of files and prohibition from disclosure regarding the shareholding or beneficial ownership, management and any of the business, financial or other affairs of the company.

In general, offshore companies do not need to maintain a physical presence in Labuan; the exceptions are those carrying out banking, insurance, fund management and other specific businesses. There is no minimum capital requirement, and the company may issue shares of different classes and rights. Although no bearer shares are allowed, anonymity can still be maintained through the use of a nominee or a trust company.

Another advantage Labuan has over other centers is that it is not only an independent island state, but also part of Malaysia — one of the most politically stable and fastest-growing countries in the world.

A selling point that the Malaysian government hopes will not be overlooked is the island's tremendous tropical beau-

ty. Water sports such as diving are among the numerous leisure activities available. The island currently has 500 hotel rooms, and there will be 1,500 by 1997. A marina with an all-suite hotel and two 18-hole golf courses are planned.

Communications will also be greatly improved. Labuan has two telephone exchanges with 16,000 lines. The current transmission system makes use of satellites. Labuan will be using both microwave and fiber-optic transmission in the near future, greatly increasing line capacity.

Confidentiality laws prevent listing the companies that have set up operations in Labuan over its initial two years: as of June 30, 1992, however, there were 80 offshore companies, including seven offshore banks, one offshore insurance company, 11 trust companies, 12 professional firms and 49 other entities.

The total value of offshore loans approved was \$299.6 million; foreign currency deposits totaled \$447.7 million. T.A.

Labuan is one of the most liberal offshore centers

Hong Kong," says Mr. Mahathir. "But we think there is a place for Labuan in this area, and I think we are much better positioned than many of the centers in very faraway places."

Labuan's location is just one of its selling points. To attract leading banks and corporations, Labuan has had to go one better in terms of what it has to offer. Consequently, Labuan has some of the most liberal laws and regulations of any offshore financial center.

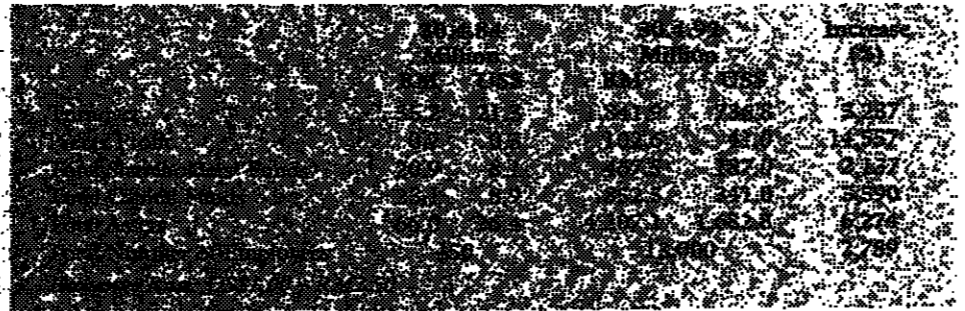
BERJAYA GROWS IN TANDEM WITH MALAYSIA



The Berjaya Group of Companies' history dates back to 1984 when our current Group Chief Executive Officer Tan Sri Dato' Vincent Tan Chee Yituan acquired a major control of shareholding in Berjaya Industrial Berhad.

Through the entrepreneurial leadership of Tan Sri Dato' Vincent Tan, the Group has been transformed into a diversified entity through partnerships, acquisitions, joint ventures and new start-ups.

The track record from 1984 reflects Tan Sri Dato' Vincent Tan's vision and stewardship. The Group's financial growth over the past 8 years are highlighted below:



A few of the operating companies include:

CONSUMER MARKETING

Today, Singer Malaysia Sdn Bhd is the largest, longest-established distributor and retailer of consumer durables with the widest canvassing network.

Catalog Shop Sdn Bhd has evolved from direct mail to retailing in Singer shops and sales through canvassers.

Unza Group of Companies' operations today encompass manufacturing, marketing, sales and distribution of a comprehensive range of quality, branded toiletries and household items.

JL Morrison Son & Jones (Malaysia) Sdn Bhd has 6 distribution centres throughout Malaysia.

Texan (M) Sdn Bhd markets a full range of men's apparel locally, and Cartel Corporation Sdn Bhd, ladies' apparel.

Berjaya Sound Entertainment Sdn Bhd produces karaoke films and songs.

Homevideo Network (M) Sdn Bhd, involved in the sale and rental of videos, has been appointed the licensee by Warner Home Video Inc. USA and Walt Disney's home video.



Singer Berjaya Showroom

LEISURE

Bukit Kiara Equestrian & Country Resort is the group's first wholly-owned recreation club with equestrian facilities, Kelab Darul Ehsan, a 60-acre 9-hole golf and recreational club, Stadfield Golf & Country Club, a 340-acre suburb project and Bukit Jalil Golf & Country Resort to be an 18-hole golf cum recreational club.

Berjaya Imperial Beach Resort has 207 acres of parkland with a beautiful golf course.



Berjaya Imperial Beach Resort Tioman Island

Redang Island will be developed into 2 integrated tourist cum holiday resorts to be known as Berjaya Inn Golf and Beach Resort, and Berjaya Premier Beach Resort.

A 70-acre site on Burau Bay Langkawi Island under construction, will be known as Premier Beach Resort.

Internationally, it has two choice properties in the South Pacific, Berjaya Inn in Suva, Fiji, and Berjaya Imperial Beach Resort & Casino in Mauritius.

In Kuala Lumpur, exquisite Oriental restaurants, Tsui Hang Village Restaurant, Oriental Pearl, Fortune Courts, Hanatei Japanese Restaurant and Jewel in the Crown, a North Indian cuisine restaurant, were set up.

Inter-Pacific Travel & Tours Sdn Bhd conducts tours, ticketing and foreign exchange through its outlets.

Berjaya Air Sdn Bhd is a multi-service air charter company, to facilitate transportation for leisure or work.

For a membership fee of RM12,000, Berjaya Vacation Club Sdn Bhd offers a holiday, locally and overseas, for seven nights a year for 38 years, in addition to its affiliation with Resort Condominiums International.

GAMING

In 1989, Sports Toto Malaysia Sdn Bhd was incorporated to run the toto betting business which was essentially the Government's effort to raise funds to promote and develop sports, youth and cultural activities.

Since privatisation in 1985, sales of Toto betting tickets has increased by over 700%. Sports Toto Malaysia has over 700 outlets throughout Malaysia.

PROPERTY

The Group has over the years successfully acquired prime commercial buildings located in Kuala Lumpur: Kota Raya Shopping Complex, Plaza Berjaya, and KL Plaza.

The Group currently owns and develops vast tracts of development land in Malaysia: Pines Condominiums, Peraling Indah, Robson Condominiums, Lora Apartments, Menara Greenview and Sri Dagangan Kuantan Business Centre, a 45-acre residential cum commercial development. Others include Sri Pelangi Phase 1, Taman Kinara and Taman Cemerlang. Berjaya Green Development Sdn Bhd, a landscaping and golf course development company, manages 3 golf resorts: Tropicana Golf & Country Resort, Berjaya Inn Golf & Hill Resort and Bukit Banang Golf & Country Club.

The Group is involved in the construction business through Bridgecon Engineering Sdn Bhd.

INDUSTRIALS

Berjaya Textiles Berhad is one of the largest vertically integrated textile groups specialising in casual knitwear and active outer wear for internationally-renowned brands.

SIG Holdings Bhd, a listed associate is involved in garment manufacturing for outer wear. Singer Furniture (Malaysia) Sdn Bhd manufactures and sells timber-based furniture for domestic and international markets.

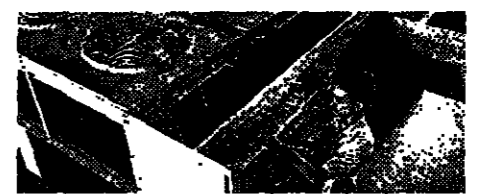
Fineswood Products Corporation Sdn Bhd produces and sells furniture and timber-related products, with a significant export market.

Lionvest Corporation Sdn Bhd is involved in logging and timber related operations.

Shinca Sdn Bhd assembles electronic and electrical items for leading brands.

Topgroup Holdings Sdn Bhd manufactures

domestic and commercial air-conditioners and accessories.



Manufacturing of air-conditioners

Inter-Pacific Packaging Sdn Bhd and South Island Packaging (Penang) Sdn Bhd, are involved in producing corrugated carton boxes, industrial packaging and printing. South Island Plastics Sdn Bhd manufactures plastic bags and sheets.

Le Run Group Industries Berhad manufactures and sells bicycles and tubular furniture.

FINANCIAL SERVICES

In March 1991, Inter-Pacific Capital Sdn Bhd was formed as a result of the merger of Inter-Pacific Securities Sdn Bhd, Eng Securities Sdn Bhd and United Traders Sdn Bhd.

Berjaya Prudential Assurance Berhad, a joint venture with Prudential Assurance Co. Ltd, Britain, provides life insurance services and is presently among the top 6 in the Malaysian life insurance industry.

Berjaya General Insurance Sdn Bhd, a joint venture with The Tokio Marine and Fire Insurance Co. Ltd, Tokyo, is one of the top 10 and fastest-expanding general insurance firms.



Inter-Pacific Securities Sdn Bhd's trading floor

NEW VENTURES IN THE FAR EAST AND BEYOND

The Berjaya Group will be investing up to US\$100 million (RM260 million) on various projects in China. Its initial principal involvement in China will be to implement and operate a social welfare lottery in Guangzhou, that will be undertaken by Berjaya Lottery Management (HK) Ltd — a joint venture company between Berjaya Group Berhad (60%) and Berjaya Sports Toto Berhad (40%).

Berjaya Lottery has a 40% stake in International Totalizator Systems, Inc (ITS), a US NASDAQ quoted company. ITS designs and manufactures computerised ticket issuing systems, and is the project manager for computerised on-line lotteries in several countries.

ADVERTISING SECTION



GOLF-COURSE DEVELOPMENT IS IN FULL SWING, BUT THE ENVIRONMENT COMES FIRST.

THE GREENING OF THE GREENS ADDS COLOR TO ROYAL GAME

The "Royal and Ancient game" was introduced to Malaysia by British traders and planters over 100 years ago. Jack Nicklaus, Peter Thomson and Arnold Palmer have all been involved in the design of courses here.

Some play in the middle of town; others prefer to trek to remote locations for the sport. We are talking about golf, and so are most property developers in Malaysia.

There are more than 100 courses in the country and a huge number in various stages of development. The growth of both international and domestic tourism has laid a foundation for the golf industry.

The "green" consciousness of Malaysia is reflected by the fact that course development, which calls for a certain amount of forest clearing, has caused some controversy and forced the State Department of Environment to announce recently that a comprehensive study on all ongoing golf-course projects will be carried out. Although officials of the DOE, which keeps tabs on all new infrastructure projects, say there is no evidence that developers are cutting trees indiscriminately, the officials want to make it clear that the environment comes first.

"Emphasis will be placed on tourism projects where recreational facilities would include golfing," says Omar Mohamed Zain, director of the DOE.

"An environmental impact assessment has to be conducted on the whole project."

While this requirement may slow development, it is not resisted by developers, who recognize the importance of the EIA, according to Mr. Omar. He gives the example of the Pedu Lake Golf Resort at the Pedu Dam, a 114-hectare (282-acre) project that includes a 27-hole golf course and a 100-room hotel. The contract to develop the dam into a tourist resort was granted last August.

"The developers had conducted an EIA and obtained approval to carry on with the project after it was found that it would not damage the environment," says Mr. Omar.

Officials say impact assessment is also needed because, unlike older developments that involve only a course and clubhouse, today's developments are total resort complexes that could put pressure on the overall environment.

The Starhill Golf and Country Club, one of Malaysia's newest, is a good example. It is indeed a golf-based resort - the centerpiece is a 36-hole course - but guests will someday be able to swing a club and visit the water theme park, take the children to "Kids Land," enjoy the Sports Center, stay in a five-star hotel within the compound, or even buy or lease a condominium unit. The project spreads over

487 acres and is being built at a cost of 200 million Malaysian dollars (\$76 million) by two Japanese-Malaysian companies, the Hoshigaoka Bussau Co Ltd. and Hoshigaoka (S) Pte Ltd.

Not all of Malaysia's courses are in the countryside. Several - such as the Saujana, the Royal Perak, the Royal Johor and the Ayer Keroh - are smack in the middle of bustling cities and towns, providing a welcome spot of green.

own: His Majesty, the Yang di Pertuan Agong, Tunku Syed Putra Ibtisam Marhum Syed Hassan Jamalullail, the Raja of Perlis.

Today's club membership includes royalty, cabinet ministers, diplomats and business executives; several of the country's most prestigious tournaments are held here. Despite its exclusive membership, the club has a tie-up with several of the city's leading hotels so that a maximum of 10 guests can play on a first-come, first-served basis.

Environmentalists, who might oppose cutting new trees to lay out a course, applaud this club, with its cowgrass-covered fairways. Heavily lined by mature trees, the course is a lung for the city.

For information on planning a golfing vacation in Malaysia, write to the Malaysian Tourism Promotion Board, Putra World Trade Center, 45, Jalan Tun Ismail, 50710, Kuala Lumpur requesting a free copy of "Golfing," a publication of the Ministry of Culture, Arts and Tourism. The publication includes a state-by-state description of courses, complete with selected course layouts; a directory of golf clubs in Malaysia that lists current green fees, telephone numbers and course descriptions; and the addresses and telephone numbers of the Malaysian Tourism Board's overseas offices.

T.A.

Malaysia has over 100 golf courses

The most famous is the Royal Selangor Golf Club, which is celebrating its centenary this year.

The Royal Selangor Golf Club, Malaysia's oldest golf course, has grown with Kuala Lumpur. In 1893, the coffee-planting Glassford brothers and A.T.D. Berrington, then chief magistrate of Selangor, set out the course, which is less than a kilometer from the city center. The old 18-hole course was complemented by two new 18-hole courses; the latest was opened in 1965, just three years after the title "royal" was bestowed on the club by a man with quite a few titles of his

'VISIT MALAYSIA YEAR' UNVEILS A STAR-STUDDED SEQUEL

What does Malaysia have in common with Sylvester Stallone and Arnold Schwarzenegger? All three of them are hooked on sequels - instant replays that they hope will repeat their blockbuster triumphs of the past. In Malaysia's case, the original mega-hit was a special tourism promotion called "Visit Malaysia Year 1990," which drew a record number of foreign visitors to the Southeast Asian nation, pushing Malaysia ahead of long-time regional rivals like Thailand and Singapore for the first time.

Tourism authorities expected "Visit Malaysia Year" to spur a permanent tourism rush. They were wrong, but for reasons they could never have foreseen at the time.

More than 7.4 million people came to Malaysia during the first special tourism year (1990), but the number of visitors plunged to 5.9 million the following year (1991) as the Gulf war put a crimp in international travel plans and as recession took hold in America. Arrivals grew by a modest 2.9 percent in 1992, but there was still a decrease in many of Malaysia's traditional markets; arrivals from Europe, for instance, registered a 35-percent drop.

Malaysian tourism needed a kick start. After lengthy discussion, Ahmad Bakri Shabbidin, director general of the Malaysian Tourism Promotion Board, and his colleagues decided that another special promotion would do the trick. That was how a new star - "Visit Malaysia Year 1994" - was born.

"The preparations are going very well, especially international promotions," says Mr. Bakri. "We are chasing 8 million visitors next year, but I'll be happy if we can match the 1990 number, given the current global situation. We were very fortunate in 1990. It was the peak before the world went downhill in terms of economic growth. Everything seemed rosy then."

Mr. Bakri traces the 1990 success to a massive advertising blitz that included everything from full-color spreads in top European magazines to billboards in suburban America. Budget constraints, however, have forced the MTPB to devise a new marketing strategy for the 1994 promotion.

"Given that it's a very soft market all over the world, we find that it is not enough to push through advertisement alone," says Mr. Bakri. "You need an agent to pull the guy to buy the ticket. So we have switched to a strategy of direct support for tour operators, a campaign of going out to the markets and doing a sales blitz, and bringing tour operators back to Malaysia to see what we have to offer."

The MTPB has staged numerous familiarization and educational trips in the past year, bringing in groups of tour operators from Britain, France, Holland, Belgium, the United States, Taiwan, South Korea and Hong Kong, as well as a Spanish-speaking group from Spain and Latin America.

"We realized there are established tour operators abroad who know Malaysia, but also a lot who don't know what's happening," says Mr. Bakri. "For them, we developed one-week packages for 1994 based on Visit Malaysia Year events. They are spread throughout the year, covering various activities, sports and festivals. We identified 54 Malaysian tour operators who were willing to

work with us on this program, and together we developed 18 different packages hooked around events."

In addition to tour operators, the tourist board is working closely with the national travel and hotel associations and Malaysia Airlines to market and promote Visit Malaysia Year - and to make sure that transportation and facilities are up to par.

Malaysia Airlines has introduced a special promotion offering travelers who fly from a European city to Kuala Lumpur one extra destination in Malaysia at no extra cost. The national carrier has also launched the "Visit Malaysia Pass," a domestic air pass that operates along the lines of European rail passes.

Malaysia is also trying to induce tourism through the creation of more budget-priced accommodation, especially in smaller regional towns that now offer only government rest houses and modest guesthouse-style hotels. Mr. Bakri hopes to see a network of two- and three-star hotels throughout the country within a few years. "Down the line, I would also like to see the development of bed-and-breakfast facilities," he says.

Just in case these projects are not enough, the tourist board has also created three brand-new festivals, which will serve as "anchor events" for Visit Malaysia Year 1994.

The Floral Festival in July will highlight Malaysia's tropical flower production, especially the nation's world-famous orchids, ending with a grand parade through the streets of Kuala Lumpur. The Malaysia Festival in September will showcase indigenous food, culture and handicrafts, while the Shopping Honey-moon in November will focus on domestic and foreign goods available in

Malaysia, including luxury items, arts, crafts and souvenirs.

Despite a downturn in the number of visitors from Europe and North America, Mr. Bakri is encouraged by the number of new arrivals from Asian destinations. "We have come to realize one thing: Asia is our major market now," he says.

The number of visitors from Singapore rose 15 percent last year - more than 500,000 new arrivals. The number of visitors from mainland China jumped 265 percent. There was also a substantial increase in arrivals from Taiwan. "The Taiwanese are emerging as the Japanese did about 10 years ago," says Mr. Bakri. "They still travel in tour groups with a tour leader, and they follow a strict itinerary. They spend most of their money on shopping, eating, karaoke and golf, but they also really enjoy themselves at the beach."

Mr. Bakri continues to believe in the "hands-on" approach to tourism development, and he feels strongly that it is the job of an organization like the MTPB to get actively involved in both promotion and the improvement of tourism infrastructure.

"We helped develop Club Med [at Cherating] just to give tourism a start on the East Coast," he says. "Sure, we suffered some losses at the start, but now we have a whole chain of hotels from Kuala Terengganu all the way down to Kuantan. It stimulated the industry. People began to think that tourism is viable, that it can be done. To me, that is the role of a tourism-promotion agency: providing an area where the industry can be more effective."

J.Y.



TOURISM CHIEF

AHMAD BAKRI

SHABDIN:

'WE HAVE COME

TO REALIZE THAT

ASIA IS OUR

MAJOR MARKET'

BUSINESS BRIEFS: GIANTS, LANDMARKS AND TROPICAL COVER

• Malaysia's newest port distribution park will open in September. The 63-acre (27-hectare) Port Klang Distribution Park, located in a free commercial zone, is a joint venture of

the Klang Port Authority and Peremba Bhd., a private company. The project will provide an additional 1.35 million square feet (122,000 square meters) of covered warehouse and 15 acres of open storage space for clients of the port. The business community and freight forwarders will now be able to import in bulk any commodity and to carry out transshipment, consolidation, repacking or relabeling.

• One of Malaysia's premier hotels is the Hotel Equatorial, located on Jalan Sultan Ismail, one of Malaysia's major roads, just across the street from the towering Malaysian Airlines Building. Frequent travelers to Malaysia have been staying in this landmark hotel for years because of its service, comfortable rooms and proximity to Malaysia's business district, parks and one of the sites of Malaysia's famous food stalls. Just down the street is the Malaysia Tourism Information Center, which is housed in a building constructed in 1935 as a miner's mansion. This historic building was the headquarters for the British and Japanese army during World War II. Today, the building houses an exhibition hall, souvenir shop, restaurant and travel-services counters. For more information and reservations at the Equatorial, call 603-261-7777.

• There is good oil and bad oil, according to nutritionists, and palm oil appears to belong to the former category. Malaysia's Palm Oil Registration and Licensing Authority is urging consumers to take another look at palm oil. Products using palm oil taste good and keep well. Vitamin E and beta-carotene, antioxidants beneficial to health, exist in large quantities in palm oil. In addition, palm oil is cost-effective and ready to use; there is a steady supply of this environment-friendly commodity. For

more information about Malaysia's manufacturers of palm oil and the use of palm oil, contact PORLA, Lot 6, SS6, Jalan Perbandaran, 47301 Kelana Jaya, Selangor, Malaysia. Tel.: 603-703-5544; fax: 603-703-3533.

• When the Tourism Development Corporation of Malaysia was set up in 1972, tourism was low on the nation's list of development priorities. Today, TDCM is at the center of one of Malaysia's largest projects, "Visit Malaysia Year 1994." The TDCM was moved from the Ministry of Trade and Industry to the new Ministry of Culture and Tourism in 1987, just in time to prepare for Visit Malaysia Year 1990. Since then, there has been no looking back. The TDCM has its headquarters in Kuala Lumpur and offices in the south at Johor Bahru, in the north at Pulau Pinang, and on the east coast at Terengganu, Sarawak and Sabah. There are eight international offices, located in Australia, Japan, Thailand, Singapore, Britain, the United States, Germany and Hong Kong. If you are thinking of visiting Malaysia, write to the TDCM Headquarters at Putra World Trade Center, Jalan Tun Ismail, 50480, Kuala Lumpur.

• Tenaga Nasional Berhad is literally Malaysia's powerhouse. It is a publicly listed company licensed for the generation, transmission and distribution of electricity, supplying about 97 percent of the Malaysian peninsula. TNB was listed on the Kuala Lumpur Stock Exchange in May 1992 - the biggest offer in Malaysia's corporate history. TNB's total installed capacity at the end of 1992 was 5,652 megawatts, and the company's revenue sales reached 4.09 billion Malaysian dollars (\$1.6 billion); an increase of 16 percent over the previous year. Profit before tax

more than doubled, while fixed assets stood at 14.97 billion Malaysian dollars.

• Malaysia's forest-management policy is one of the best among tropical countries and even exceeds that of some developed countries, according to the International Tropical Timber Organization. One group dedicated to upholding a responsible forest-management policy so that forests can be sustained and timber remain a viable industry for generations to come is the Malaysian Timber Industry Development Council. The MTIDC points out that Malaysia has ensured that at least 50 percent of its land area will remain permanently under forest cover. For more information, contact MTIDC, 9B, 9th floor, Bangunan Arab Malaysia, 55, Jalan Raja Chulan, 50200, Kuala Lumpur. Tel.: 603-232-3999; fax: 603-238-6376.

• Fortune magazine has called this company "a new breed of corporate giant rising to challenge top business in both the Orient and the West." This is Sime Darby, Southeast Asia's largest multinational company. A strategy of diversification has broadened Sime Darby's base from commodity trading and plantations to engineering, fabrication, general trading, heavy equipment, insurance, manufacturing, motor distributorship, packaging, property development and leisure. This year, Businessweek added an "Emerging Markets 500" list to their annual "Global 1000" of the world's most successful companies. While most of Malaysia's neighbors were home to companies on the "Emerging Markets 500" list, Sime Darby was not. Instead, Sime Darby was listed among the "Global 1000," ranked 794, with a market value of \$2.89 billion, sales in 1992 of \$2.42 billion and assets worth \$2.57 billion.

T.A.

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ENERGY KEEPS THE HOME LIGHTS BURNING

While Malaysia's oil and gas reserves remain substantial, the petroleum industry realizes they are finite. Domestic consumption of energy is rising at an alarming rate as Malaysian business and industry revs into high gear and consumers convert their hard-earned wages into new cars, stoves and refrigerators. Meanwhile, oil prices have stagnated in the wake of a global glut. As a result, Malaysia now finds itself in the middle of an energy revolution that spells major changes in terms of both production and utilization. No longer content to merely produce oil and natural gas, the petroleum industry is moving into a diverse range of downstream products for export and domestic use that will add immeasurably to the value of both natural resources.

The national energy network is being extended and upgraded. With underground and offshore re-

serves that are three times greater than known oil reserves, the future would seem to belong to liquefied natural gas. LNG is already in hot demand both at home and abroad because gas is environmentally friendly compared with other energy sources like coal and oil.

Malaysia has the world's largest gas-conversion plant, a joint venture between Royal Dutch Shell, Mitsubishi, the Sarawak state government and Petronas, the national oil company. The facility is currently producing 8 million metric tons a year for sale to utility companies in Japan, Taiwan and South Korea, and there are plans to double capacity by 1995. A second gas-conversion facility is on the drawing boards, a proposed joint venture between U.S.-based Occidental Petroleum, Nippon Oil and Petronas. The second facility would also be located in Sarawak, which has proven gas reserves of 27 trillion cubic feet.

The nation's other massive gas field is Jerneh, situated off the northeast coast of peninsular Malaysia. Unlike gas from Sarawak, gas from Jerneh has been earmarked for local use through the Peninsular Gas Utilization project.

While LNG may be the current "darling" of the energy industry, there is also growing demand for oil-based products. Malaysia is currently pumping about 630,000 barrels of oil each day from fields in Sabah, Sarawak and Terengganu. Nearly a third of that goes toward domestic gasoline consumption. Industrial oil demand is also soaring. As a result, major retailers like Shell (with 30 percent of the domestic gasoline market) and Esso (20 percent) have been working with Petronas to increase and diversify refinery production into downstream products.

Malaysia is also diversifying its energy industry through the manufacture of oil- and gas-production



PUMPING 630,000 BARRELS OF OIL DAILY.

equipment, especially the design and fabrication of offshore platforms. Sime Darby, one of Malaysia's largest companies, has developed a platform production facility at Pasir Gudang Industrial Estate in Johor; the company is making support structures,

jackets and modules for Petronas and Esso operations in the South China Sea, including the Jerneh Gas Field. Sime Darby has also found a budding overseas market for its energy platforms, which it hopes to parlay into a major export business. J.Y.

BUSINESS SEEKS OVERSEAS MARKETS

Malaysia has a long history of trading beyond its national boundaries. The GATT World Trade Report (1992) ranks Malaysia as the 23rd-largest exporting nation, with total merchandise exports valued at 103.5 billion Malaysian dollars (\$40 billion). Projections are for annual exports to increase to 1.5 trillion Malaysian dollars by the year 2020.

Traditionally, much of that trade has been within Southeast Asia, where Malaysia has always been a major player. Malaysia, for instance, is the third-largest source of Singapore's imports, after the United States and Western Europe.

In recent years, however, Malaysia has been looking beyond Southeast Asia for export markets — especially for manufactured goods rather than raw commodities. Outside of the Association of Southeast Asian Nations, Malaysia's major trading partners are Japan, the United States and Europe. Together with Singapore, these countries accounted for more than 70 percent of the country's total trade (160 billion Malaysian dollars) last year.

One of the most outstanding examples of Malaysia's manufacturing export drive is the Proton Saga automobile, which recently achieved something of a coup in Britain's car market. In late 1992, Proton became the first non-European passenger car to be approved by the British Home Office for use by police forces.

Malaysian business executives have come to realize, however, that growth can be achieved beyond direct exports. As a result, entrepreneurs are now spreading their wings to establish operations in places as diverse as Cambodia, Egypt, China and Syria.

One Malaysian businessman is selling Cambodian fresh-water fish to restaurants in Hong Kong, Singapore and Kuala Lumpur. The Asia PR Group, another Malaysian company, is trying to build a mini media empire in Cambodia with an eclectic operation that already includes advertising, printing, public relations and an English-language paper called the Cambodia Times.

Malaysians are also heavily involved in Vietnam, slipping in ahead of the predicted end to the American embargo. Malaysian United Industries Bhd., for instance, is spending \$1 million to develop a cement-production business. Future plans call for expansion of the cement venture into Hong Kong and China.

Malaysia has also made a big push into China, where its direct investment is expected to reach 8.2 billion Malaysian dollars by the end of this year. Malaysian capital is concentrated in several key industries, including construction, food processing and hotels.

One of the most unusual Malaysian ventures in China is a computerized social-welfare lottery in Guangdong Province; the lottery is organized and produced by the Berjaya Group, one of Malaysia's largest and most diverse companies. Berjaya is also involved in several other overseas ventures, including hotel projects in Fiji and Mauritius.

Malaysian companies are also helping the Philippine government develop the former U.S. naval base at Subic Bay into a duty-free zone that will encompass trade, industry and entertainment.

As Malaysia's push toward full industrialization eases up more and more of the land and labor traditionally used for agriculture, the country's three largest plantation groups are setting up business overseas in order to stay competitive in the world market. Sime Darby's Consolidated Plantations division is building a palm-oil refinery on the banks of the Suez Canal to process edible palm oil for the Egyptian and West Asian markets. Consolidated is also searching for edible-oil refineries in locations in Namibia, Tanzania and China.

The Guthrie Group — one of the great names in Malaysian rubber — is currently making rubber gloves in Russia (with its own Malaysian-grown stocks) and is exploring the possibility of taking over tea and rubber plantations in Sri Lanka.

Golden Hope Plantations is developing an edible-oil (palm, peanut and coconut) factory in Vietnam to serve consumers throughout the huge Indonesian market.

Petronas, the national oil company, is stepping up its overseas exploration efforts as part of a long-range plan to become a global energy company in the same vein as Exxon or Shell. In late 1992, in a partnership agreement with Australia's Broken Hill Pty., Petronas won the right to develop Vietnam's offshore Dai Hung oil field. The company has also obtained rights for oil and gas exploration in parts of China, Burma and Syria, and it is considering exploration in parts of the former Soviet Union.

To help these entrepreneurs wishing to venture abroad, the Malaysian Trade Development Corporation is in the process of identifying locations for its own offices abroad. In all but the most key markets, these Matrade offices will take over duties presently performed by trade commissioners. The government has announced that it will do everything in its power to promote Malaysian goods and services abroad and to support efforts by the private sector to secure overseas contracts. J.Y.

REAPING THE BENEFITS OF AN ECONOMIC OVERHAUL

Continued from Page 1

a lot, especially in terms of education," he says.

All one has to do is glance back over recent history to realize just how much Malaysia has accomplished in a short time span. The country gained its independence from Britain in 1957 after a 10-year communist insurgency called "The Emergency," which at times approached the ferocity of the Vietnam conflict a decade later. The communist uprising was not completely crushed until the early 1980s, when the last rebel forces came out of the jungle.

The early days of independence were marked by a bloody border dispute with Indonesia (over the Sarawak-Kalimantan frontier) and a political dispute with Singapore that ended with the island being ejected from the Federation of Malaysia.

Military and political disputes settled, the country embarked on a period of economic growth based on an agricultural and mining sector developed during British colonial times. Tin and rubber income buttressed the young nation, allowing modest growth. Malaysia, however, nearly made a fatal mistake by staking its future on these two commodities because both tin and rubber markets sank in the late 1970s.

Malaysia could have easily gone the way of other Third-World nations that stagnated in the wake of commodity crashes, but the national leadership had both the energy and acumen to steer Malaysia on a new course. Almost overnight, the economy switched from an almost total dependence on tin and rubber to a much broader economy that in-

cluded oil and natural gas, timber, manufacturing, tourism and various service industries.

The key year was 1986, when the federal government swept away much of the red tape and antiquated laws that hampered foreign business in Malaysia. Many industries were deregulated, government monopolies shattered, the banking and finance sectors completely overhauled and tax incentives established as the country threw open its doors to foreign investment and expertise. Another key step was the National Development Policy of 1990, the long-awaited overhaul of an earlier ethnic-economic plan that had also been a major impediment to foreign investment.

Free trade and private enterprise became the bywords of the economic transformation, as Malaysia rushed to catch up with its burgeoning Asian neighbors. And catch up it did, much quicker than anyone could have imagined.

In less than a decade, factories have supplanted farms as the country's largest money-spinner. The contribution of the manufacturing sector to GDP grew from 19.4 percent in 1980 to 28.1 percent in 1991. At the same time, the share of Malaysia's exports taken up by manufactured goods rose from 21.9 percent to 65 percent. Overall, the industrial sector is expanding at an average of more than 20 percent annually, and more than 3,000 international manufacturing companies have set up in Malaysia.

The jobs and money generated by this tremendous growth are literally changing the face of Malaysia. High-rise skylines have overtaken the old colonial buildings in Kuala

Lumpur, Johor Bahru and Penang. People are starting to shop in huge, air-conditioned shopping malls rather than street markets. An American-style four-lane expressway is taking shape along the west coast of peninsular Malaysia, the finest long-distance road in all of Southeast Asia. New golf courses are being built at a faster rate than anywhere else on the globe.

It would be easy for Malaysia to rest on its laurels, satisfied with the growth it has already achieved, but national leaders are already thinking about the next century with an intent to forge Malaysia into a first-world nation over the next three decades. Prime Minister Mahathir Mohamad has devised a blueprint for the future called Vision 2020 — a broad strategy that encompasses economic and social development.

Mr. Mahathir foresees a Malaysia with a standard of living equal to that of Europe and North America, a country where poverty and illiteracy have been eliminated and where both the education and health-care systems are among the best in the world. He feels that Malaysians should maintain their basic culture and values, be they Malay, Chinese or Indian.

To achieve these lofty goals, the government knows it must continue to stoke the flames of industrial growth by boosting productivity, raising the skill level of the work force and creating an environment in which both foreign and domestic investors continue to perceive Malaysia as a place where they should put their money. "I think the private sector could do more to improve the technical abilities of the Malaysian work force," says Yong Teck Ming, executive director

of the Berjaya Group, one of the country's largest and most diverse conglomerates. "Maybe the private sector could set up its own research institutes."

At the same time, the government and private business are striving to reinforce and diversify industrial sectors where Malaysia already has an edge and creating whole new industries.

Another of the country's ongoing crusades is the replacement of raw commodity exports (like timber, oil and rubber) with downstream products that bring a much higher value. For instance, Malaysia has gone from being the world's largest supplier of unprocessed rubber to being the world's largest producer of rubber gloves.

At the same time, the manufacturing sector is moving into "cleaner" high-tech industries that require less labor and are more environmentally friendly, a move similar to what has been taking place in Singapore and Japan. Meanwhile, the country will continue to shed labor-intensive industries in favor of nations like Indonesia, Vietnam and China, which have much larger, cheaper work forces.

"Malaysian workers are now commanding higher and better rewards," says Mr. Tajudin. "Rather than have them migrate elsewhere, it is better to bring new industries here. Two things must be done: We must develop more high-tech industrial parks and introduce more advanced technology. This will not only ease the problem of labor shortage, but also give us a better financial return."

More privatization is also in the cards, as private companies move into areas

that until recently were the exclusive domain of state-owned enterprises; these areas include energy, telecommunications, transportation and mining. More than 250 state-owned companies — with a total value of 16 billion Malaysian dollars (\$6 billion) — are slated for privatization by the year 2000. The public and private sectors will continue to pump money into infrastructure development as well, expanding and improving the efficiency of seaports, airports, road and rail systems, power and water supply, and communications. The government has pledged \$10 billion to infrastructure development over the next decade.

Joseph R. Yogerst

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TOURISM MALAYSIA

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SCALING THE HEIGHTS: MALAYSIA IS A FEAST FOR NATURE-LOVERS.

SAVING THE WILDERNESS: AN ECOTOURISM LABORATORY

Continued from Page 1

the industry pulled in an estimated \$1.96 billion in 1992.

In many instances, limits must be placed on the number of visitors who frequent a site or location. In Malaysia, for example, the number of tourists permitted to visit sites where giant turtles lay their eggs is strictly controlled.

While numbers must be reduced, Mr. Western says that "we must discard the platitude that high-volume tourism is bad and low volume is good." Instead, the industry should change the way tourists venture out through calling on tour-group operators to educate clients about how to avoid abusing the land and culture they visit.

Taman Negara, for instance, has not changed much in 160 million years. The colonial administration established a game reserve for hunting, shooting and fishing in 1925. Located in peninsular Malaysia, Taman Negara is now a national park with no roads and no settlers other than the tribal Batek people. In 1991, the government allowed Pemas OUE, a private company, to develop a 30-hectare clearing. Management of the project was subcontracted to Singapore Mandarin International Hotels and Resorts. The resort takes its social obligations seriously. Guests are encouraged to inspect the waste-disposal plant. Biodegradable waste is fed into a compost machine, which turns out garden fertilizer. The resort recently held a competition to

see which visitor could collect the most rubbish along jungle trails.

Malaysia's tour operators are on the bandwagon. Nature tours are widely available; these range from a day-long jungle walk in Genting Highlands or whitewater rafting down the rivers of Sabah and Sarawak to the more strenuous Taman Negara sojourn or the ascent of Mt. Kinabalu.

"The demand for nature tours is growing," says Anthony Wong, managing director of Asian Overland Services Tours and Travel, which started business 17 years ago as a two-man company exclusively selling nature and adventure tours in peninsular Malaysia, Sabah and Sarawak. Other companies that offer these kinds of tours include Reliance SMAS Tours; Borneo Adventure, based in Kuching, Sarawak; and Api Tours, based in Kota Kinabalu, Sabah.

Even established, city-based, up-market hotels are getting involved in conservation. "Kuala Lumpur is a green city," says Willie Ooi, who handles sales and marketing for the Shangri-La Kuala Lumpur. He says the hotel, in keeping with the trend, has embarked on a "green movement," which involves recycling, replacing plastic with reusable items and moving more plants into the lobby. Plastic laundry bags, for example, have been replaced by canvas bags, and laundry is returned in reusable rattan holders instead of plastic wrap.

The Shangri-La Kuala Lumpur

now uses special light bulbs that consume 75 percent less energy. Water used in flushing toilets has been reduced by 35 percent, and this Christmas, the Shangri-La Kuala Lumpur will give away potted plants instead of hampers and cakes.

Malaysia hopes to attract some 6.6 million visitors in 1993, representing about a 10-percent increase over 1992.

Malaysia now has some 60,000 hotel rooms, and more budget and mid-priced hotel projects are in the works. The government is considering bids by seven contractors to build 10 budget hotels throughout the country. Under the Sixth Malaysia Plan, \$39 million has been allocated to build 20 budget hotels in two phases, with the first 10 to be completed in early 1994. Kuala Lumpur is due to have a new \$7.8 billion airport at Sepang with a capacity of 100 million passengers a year.

There are no available statistics to indicate how much of Malaysia's tourism revenue is generated through ecotourism, but industry insiders suggest the amount is growing faster than that generated by any other type of tourism. Although ecotourism is not expected to replace mass tourism, it is a trend to watch. "Tourism used to be sun, sand and sex, but now this kind of tourism is passé," says Robertson Collins, president of Tourism Development and Heritage Conservation.

Teresa Albor

TRANSPORT SECTOR: BLUEPRINT FOR DEVELOPMENT

Both the Malaysian government and people realize there is no standing still if the country is to achieve first-world status by the year 2020. As a result, Malaysia is busy on land, at sea and in the air, upgrading its transportation links.

One of the tenets of the Sixth Malaysia Plan (1991-1995) is that infrastructure development must be stepped up considerably to meet the demands of rapid industrialization and to ensure that the country continues to attract hefty foreign investment. Transport is seen as the key area of infrastructure improvement.

Twenty-six percent of the SMP's 9.4-billion-Malaysian-dollar (\$3.7 billion) development budget has been allocated to the transport sector. The funds are earmarked not only for the upgrading of existing transport modes, but also for the creation of completely new networks and facilities.

Malaysia has been a nation of avid drivers since the first car arrived in 1896. Until recently, however, rural highway construction often lagged behind urban road development. A number of new or improved long-distance routes are currently in development, including an upgraded East-West Highway between Kota Bharu and Butterworth, and the new North-South Expressway - a four-lane toll road that will eventually stretch along the entire west coast, from Johor Bahru to the Thai border. In addition to making life easier for ordinary motorists, the route will also allow easy access to the ports for surface freight.

Although Malaysia is nearly surrounded by water, the country has a dearth of deep-water ports. Work is currently under way to expand docking facilities at a number of locations, including Butterworth/Penang, Port Klang, Kuantan, Bintulu and Johor.

Johor is hoping to rival Singapore one day as an international gateway. The 312-million-Malaysian-dollar third phase of the Pasir Gudang port expansion will double Johor's port capacity by next year; construction of the 259-million-Malaysian-dollar fourth phase is expected to be completed by 1995. Even with this extra capacity, however, Johor's current port will be stretched to meet demand by the end of this decade, so a second port is being developed at Tanjung Pelepas, with completion slated for the year 2000.

Johor's economy would get a further boost from a proposed 1.6-billion-Malaysian-dollar second link with Singapore, a giant bridge that would leap the strait between Singapore's industrial Tuas district and Gelang Patah near Johor's second port. This would allow Johor to provide warehousing and bonding facilities for Singapore's thriving shipping and air-cargo industries.

Malaysia Airlines plans to increase its fleet by nearly half, to more than 100 aircraft, by 1997 in order to keep pace with rapidly increasing domestic and overseas demand.

Meanwhile, Malaysia Airlines has tied up with two other top Asian carriers - Singapore Airlines and Cathay Pacific - to offer a frequent-flyer program to first- and business-class passengers. Additionally, the airline has announced several measures to upgrade its services and facilities. First- and business-class passengers will soon be entertained by Skyvision, in-flight videos and music selected from compact discs. In-flight phone calls will

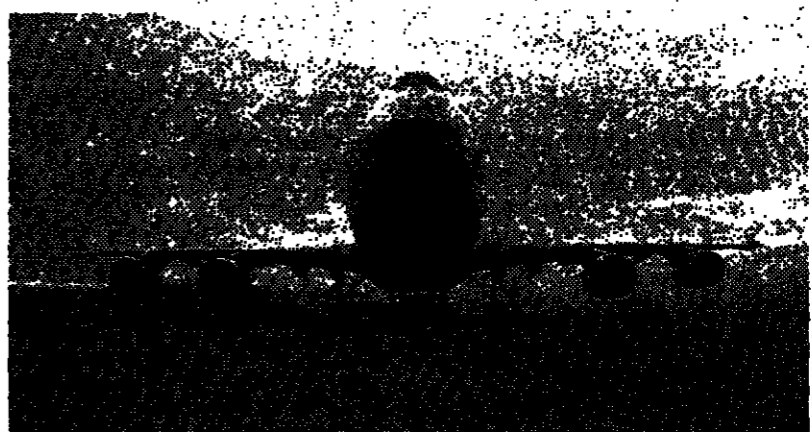
also be possible. Food and serving equipment are being improved, and the airline plans to expand its telephone check-in facility.

Construction of the new international airport in Sapang, about 30 kilometers (19 miles) south of Kuala Lumpur, is expected to start late this year, with scheduled completion in 1997. Located on a huge 10,000-hectare (24,700-acre) site, the airport will be one of the largest in the region; it will have four separate runways. The estimated cost is from 8 billion to 10 billion Malaysian dollars, but the government figures that is what it will take to compete with Singapore's highly successful Changi Airport.

Once an air-traffic-services modernization program is completed in 1995, Malaysia's air-traffic-control system will also be one of the most advanced in the region. The program, which began two years ago, will allow for complete automation of the country's 20 airports, with the new Sapang airport as the hub.

To alleviate traffic snarls on the roads to and from the new airport, the government is developing a dedicated electric train route between Sapang and Kuala Lumpur. Meanwhile, a new light rail system is under construction. When completed in 1995, the 12-kilometer system is expected to alleviate the growing traffic congestion in the federal capital.

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MALAYSIA AIRLINES: TRANSPORT SECTOR IS TAKING OFF.

stiff competition from overland buses, domestic airlines and car-hire companies. The national railway company is also aiming for well-leeled travelers.

The luxury Reserve Saloon, available in the past only to corporate clients and VIPs, is now being offered to the general public. From September, those who want an even more elegant and romantic journey - with a touch of 1930s nostalgia - will be able to board the new Eastern and Oriental Express, a cousin of the Orient Express train in Europe.

Transport Minister Ling Liong Sik says that his government realizes that development of the transport sector alone will not necessarily result in an efficient and economically sound transport system. Therefore, the government is placing equal emphasis on strategies such as deregulation, rationalization of trade procedures and documentation, as well as privatization. If the government gets its way, Malaysia's transport networks may be largely operated and managed by the private sector by the year 2000, with the government involved only in broad policy matters, licensing and regulatory functions. J.Y.

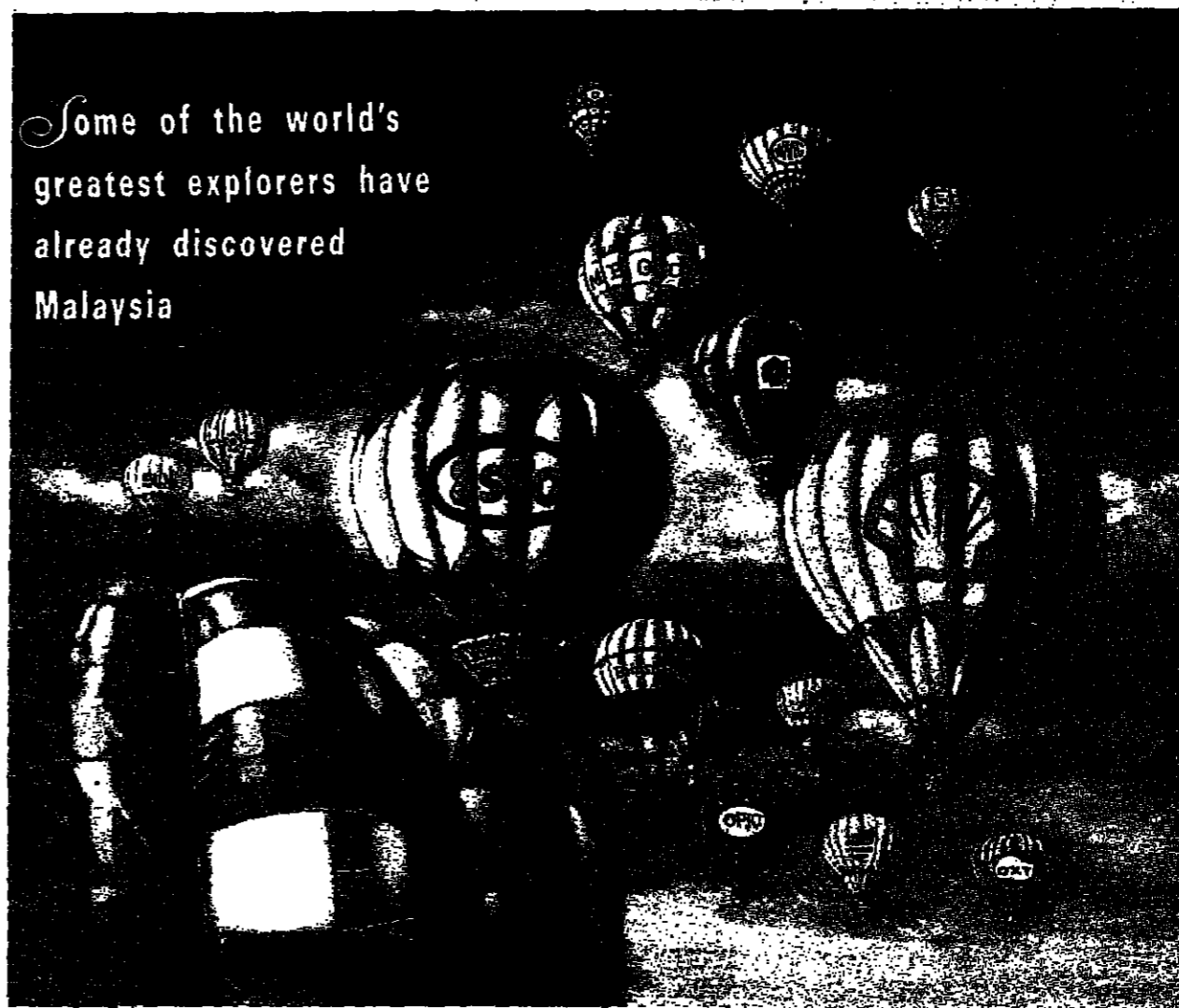
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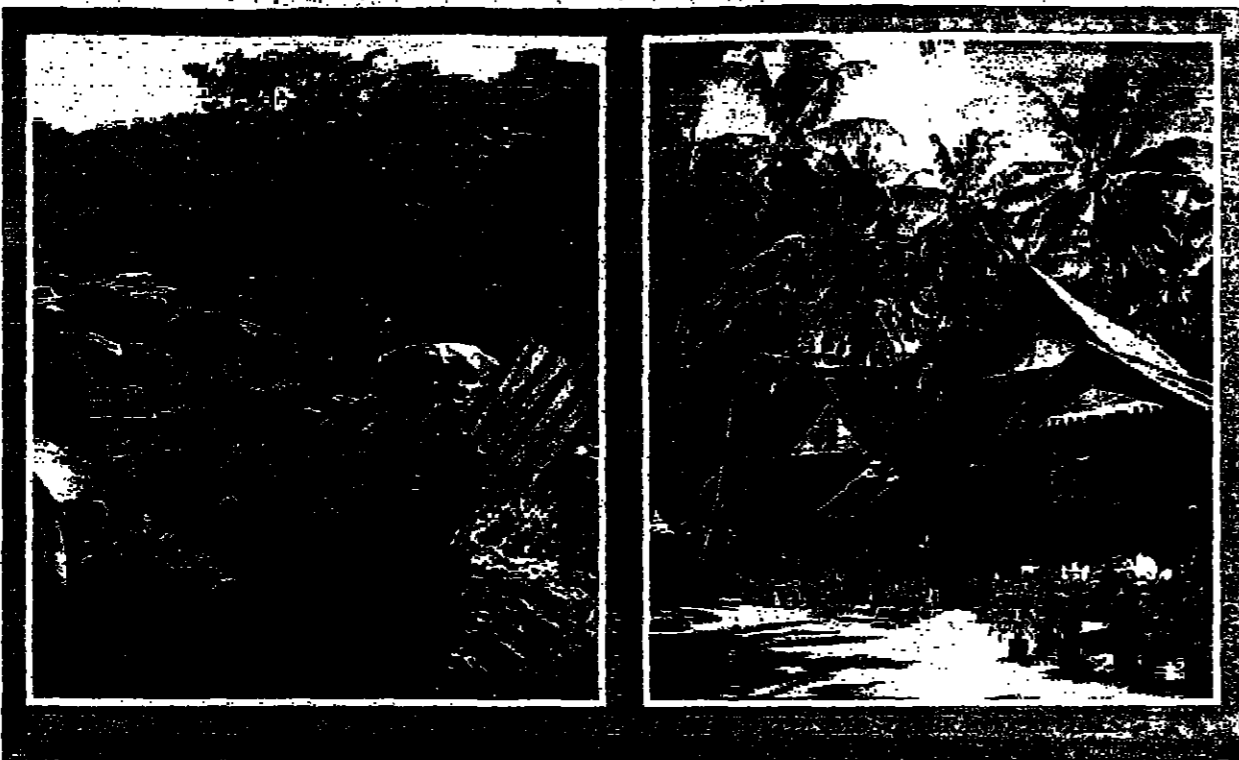
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WHERE OLD MEETS NEW (AND REFUSES TO DISAPPEAR)

Georgetown is the gem in the crown of Penang, a popular tourist destination for decades that combines sun, sea and sand with culture, food and heritage. Penang is located on the northwestern coast of peninsular Malaysia and consists of an island and a strip of land off the mainland. The island was a British trading post as early as 1786. While Penang is an interesting but long drive from Kuala Lumpur, a short and economical domestic flight is the transport of choice for most tourists. Malaysia Airlines has as many as 24 flights a day.

On the hilly island, beach resorts are not far from cool hill stations and, at the center of it all, is one of the most unique cities in the world. The city of Georgetown on the island of Penang is living culture at its best - eclectic, colorful and lively.

A walking tour is the best way to see and be a part of this intimate capital city. Fort Cornwallis, which guards the northeast coast of Georgetown, is a solid structure decked with cannons. In the 1800s, the British East India Company decided Penang Island was the ideal place to stop off on voyages between Calcutta and Madras. Convicts rebuilt the original wooden fort with stone from 1808 to 1810. From the fort, you can see fishermen casting their lines along the Esplanade, which is dotted with the colorful sun umbrellas of food stalls. This part of the city is full of quaint shopping streets where embroidery work, silks, batik cloth and antiques are for sale.

Visit another part of the city, and you will be transported to India. Saris are displayed in shop windows, and street vendors hawk Indian food.

In yet another neighborhood, the Kuan Yin Temple is home to Penang's Goddess of Mercy, who is loved by a wide spectrum of Southeast Asians: the young, the old, the traditional and the strikingly modern. Outside, Chinese opera is sung endlessly on a gaudy stage amplified by an

old-fashioned, rickety microphone, and giant joss sticks fill the air with pungent incense.

Only two blocks south of the temple sits the Kapitan Kling Mosque. If you stand in the Kuan Yin Temple and listen carefully, you can make out the chanting of the cleric and beautiful Islamic call to prayer above the din of those praying in the temple and the high pitch of the Chinese opera singers.

If you have not filled up on Chinese or Indian food stalls, there is always the dining room of the Eastern and Oriental Hotel, known as the "E & O." This graceful, colonial-style hotel is located on the waterfront. Steak and kidney pie or curry are on the menu.

For those who venture out of Georgetown, there are more than a dozen coastal hotels and resorts. Penang hill, a pleasant cool retreat from the hustle and heat of the city, is just outside the city. Penang also has an 18-hole golf course.

On the western side of the island, there are dozens of small kampong villages, or sleepy fishing hamlets where life seems to have not been affected by the development of Malaysia. At the northern end of this coast is a wilderness area spliced by trails through the rain forest and a butterfly park where visitors enter a vast "aviary" where butterflies pause on their arms.

Several events are planned for Penang during 1994, which has been designated "Visit Malaysia Year." One such event is the Festival of Traditional Dances and Music, to be held from April 25 to 30. Another is the annual Penang Bridge Run in May, when thousands of runners compete in a race across the world's third-longest bridge, the Penang bridge, which links the mainland of peninsular Malaysia with Penang island.

For more information, contact the Penang Tourist Association, P.O. Box 444, 10760 Penang.

T.A.

MANAGED OR FREE TRADE? A LOOK AT THE OPTIONS

Rafidah Aziz was a university lecturer in economics at the University of Malaya before joining the government in 1977. She served as deputy minister of finance and minister of public enterprise before becoming the country's minister of international trade and finance, and she has led many foreign trade missions. Considered to be one of the busiest and fastest-speaking ministers in Malaysia, Rafidah Aziz warns visitors to be on time and bring a tape recorder. The following are excerpts from a recent interview with her.

Managed rather than free trade seems to be gaining momentum. What are the strategies Malaysia and other countries in the region might adopt to deal with managed trade?

We want to tell developed countries that are going the way of managed trade not to do so. They should subscribe to multilateral and international trade rather than managed trade. Malaysia would like to see other countries that oppose this approach get together and have a strong voice.

Malaysia has been a leader in pushing for the formation of an East Asian Economic Caucus (EAEC). What would be the mandate of such a group, and why would it be important to Malaysia and the region?

The EAEC will call the countries of East Asia to meet together from time to time at various levels to discuss issues of common concern [such as] trade, cross flows of investment, technology transfer and anything of interest to the region in their effort to increase their trade performance and enhance their own economic development. At the moment, the critical issue is trade: how to enhance East Asian trade, how to make sure countries outside East Asia do not subscribe to managed trade or use protectionist barriers. By the end of the year, we hope the EAEC will be formalized, the first step toward convening meetings.

In the past, there has been some resistance to the idea of forming the EAEC, especially from the United States. Has the change in administration brought about any change in attitude that you are aware of?

The previous U.S. administration thought that if they were not involved in a grouping or other entity in this part of the world, they would be excluded from any discussion and would be left out. That is why they were against the formation of the EAEC. This is an East Asia caucus - geographically they cannot be in it, but the United States is a major partner of all [East Asian countries]. Certainly, when we discuss trade, investment and development, the United States would indeed be part and parcel of the discussion. East Asian countries are not going to work by themselves in a vacuum. At the moment, the new [U.S.] administration says it is not fair for them to make any value judgement now because they do not know exactly which way the EAEC is going, and so they have followed the path of letting the ASEAN countries decide.

Malaysia, as a member of the Association of Southeast Asian Nations (ASEAN), is participating in the Asian Free

Trade Area scheme. What benefits does Malaysia hope to gain from participating in AFTA? How would AFTA and the EAEC complement each other?

In many ways, they will overlap, just as NAFTA overlaps with GATT. This sort of overlap is not bad. It overlaps in a way that enhances the situation. [The groups aim to] increase free trade and regional trade.

Has the failure to resolve the current Uruguay Round had a negative effect on Malaysia?

Malaysia does not suffer alone. Everyone has suffered directly or indirectly from the unilateral trade actions taken by the major countries and also because of bilateral deals some countries have made. For example, when there are deals cut unilaterally between the United States and the European Community in the areas of commodity support, we are affected.

The completion of the European Community's single market as of Jan. 1, 1993 and the signing of the North American Free Trade Agreement on Dec. 17, 1992 (which has not yet been ratified) are events that both challenge and represent opportunities for countries in Asia. Can you discuss the challenges and opportunities these events represent for Malaysia?

There will be competition, but the challenge is for us to enter new markets. We are well placed to do so because we have experience in [producing] a whole range of electronic products and resource-based products. The challenges are that, within the EC and in the case of NAFTA, Mexico and other developing countries will compete with Malaysia in terms of attracting foreign investment, especially for lower-end technology and industries that require a lot of labor. Malaysia is no longer a viable host for these kinds of industries anyway. Market access [is

another factor] since investors would like to locate themselves nearer to the market. We ourselves are thinking of placing our operations in these countries. The challenge is for us to be competitive in those countries ourselves. And, operating from this part of the world, we have to be competitive in marketing our products, meeting the high standards the EC will probably be placing on imports and making sure we have a slice of the extra cake that will result because of the increasing demand within the EC.

Both regionalism (the formation of trade groups) and multilateralism (a global trade regime) have been embraced by many economists as they advance the argument that both can work toward achieving the goal of free trade. Do you agree or disagree with this argument?

These trade groupings will only be positive if the objectives are to contribute to multilateral trade - within the grouping, within the region and globally. But if an entity, from the very beginning, has protectionist elements and sidelines the interests of third countries by various regulations and rules, the trade bloc will inhibit multilateral trade. If it is clear that the objective of a trade grouping is to enhance trade among member countries and at the same time is nondiscriminatory, we do not need to fear them.

Interview by T.A.

TRADE AND
FINANCE MINISTER
RAFIDAH AZIZ:
THE CHALLENGE
IS FOR US
TO ENTER
NEW MARKETS'



Malaysia
POWERHOUSE OF THE 90s

A MAJOR NEW CONFERENCE ON TRADE AND INVESTMENT OPPORTUNITIES IN MALAYSIA
KUALA LUMPUR · NOVEMBER 14-16 · 1993

CONVENED BY
THE INTERNATIONAL HERALD TRIBUNE IN ASSOCIATION WITH
THE MALAYSIAN INDUSTRIAL DEVELOPMENT AUTHORITY AND
THE INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES

THE ISSUES

The conference will provide an up-to-the-minute overview of Malaysia's economy with a particular focus on opportunities for foreign investment. Sessions to be covered will include:

- Infrastructure and Construction
- Power Generation and Telecommunications
- High Technology and R&D
- Emerging Securities Markets
- Financial Services
- Resource-Based Industries and Agriculture
- Petroleum and Gas
- Transportation Equipment

OFFICIAL AIRLINE



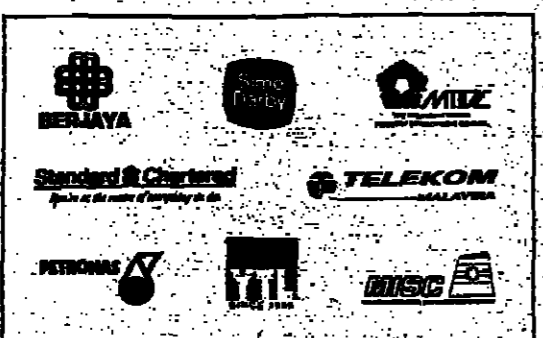
Malaysia Airlines extends to registered delegates preferential airfares. These airfares are not applicable for travel from Malaysian domestic cities and Singapore.

OFFICIAL HOST



The conference will be held at the Shangri-La Hotel, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. Tel: (603) 232-2388. Fax: (603) 230-1514.

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THE SPEAKERS

Among the distinguished line-up of more than 20 government and business leaders from Malaysia and the rest of the world who will be addressing the conference are:

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- Dato Seri Anwar Ibrahim MINISTER OF FINANCE
- Dato Seri Rafidah Aziz MINISTER OF INTERNATIONAL TRADE AND INDUSTRY
- Dato Seri Saamy Vellu MINISTER OF ENERGY, TELECOMMUNICATIONS AND POSTS
- Dato Seri Lim Keng Yik MINISTER OF PRIMARY INDUSTRIES
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- Dr. Noordin Sopiee DIRECTOR GENERAL, ISIS
- Atuk Ithian CHAIRMAN, PHILIPS MALAYSIA

REGISTRATION INFORMATION

The fee for the conference is US\$ 995.00. Fees are payable in advance and will be refunded less a cancellation charge for any cancellation received in writing on or before November 1, after which time we regret there can be no refund. Substitutions, however, may be made at any time.

REGISTRATION FORM

To register for the conference, please complete the form and send it to: Brenda Haggerty, International Herald Tribune, 63 Long Acre, London WC2E 9RF, England.

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A view of part of the growing city of Kuala Lumpur

ADVERTISING SECTION

VISITING MALAYSIA? CHECKLIST FOR 1994 FEATURES SPORTS AND CULTURAL CELEBRATIONS

During "Visit Malaysia Year," festivities range from birdsong competitions to joyous celebrations of the anniversary of Malaysian independence. Listed below is a selection of 1994 events in Malaysia. For a complete listing, the "Travelers' Guide to Malaysia's Fascinating Treasures" is available from the Malaysian Tourism Promotion Board, Putra World Trade Centre, 45, Jalan Tun Ismail, 50480 Kuala Lumpur.

JANUARY
 Jan. 1: Sarawak Regatta in Kuching, Sarawak. Relive the era of the "White Rajahs of Sarawak" and join thousands of spectators in colorful ethnic costumes as they cheer on their favorite longboats in this spectacular New Year's Day regatta.

Jan. 2-4: Perlis Bird Singing Competition, Perlis. Listen to melodious bird songs as prized singing birds from Malaysia and neighboring countries vie for top honors in this annual competition.

January-March: Malaysian Costumes Exhibition at the National Museum, Kuala Lumpur.

Come view the diversity of Malaysian costumes. On display are costumes for persons of rank and for religious and social celebrations. Be fascinated by the many different shapes and styles of dress and rich fabric designs.

FEBRUARY
 Feb. 1-6: Asian Ramayana Festival, Kuala Lumpur. Experience the epic tale of the Ramayana as retold in the form of the "Cultural Dance Drama," "Contemporary Dance Drama" and "Wayang Kulit." Originating in India and popular in Sri Lanka, Indonesia, Malaysia and Thailand, the Ramayana has since evolved into variations that incorporate elements of the indigenous cultures.

Feb. 24: Chap Goh Mei. This celebration, which falls on the 15th day of the Chi-

nese New Year, signals the close of the New Year festivities. It is celebrated on a grand scale by the Chinese community with prayers and offerings.

MARCH
 March 13: Hari Raya Puasa. A joyous occasion as Muslims celebrate the end of a month of fasting. The day is ushered in with prayers and an "open house" for family and friends. Many tourists will be invited to savor the warm Malaysian hospitality during this occasion.

APRIL
 April 15-24: Malacca Historical City Celebration and Toward 600th Anniversary Celebration, Malacca. Relive the glory of the Malacca Empire in this commemoration of Malacca's history. Festivities include shows by local and foreign cultural troupes.

MAY
 May 29: KL International Marathon, Kuala Lumpur. Join thousands of runners as they pound the tree-lined streets of the nation's capital in their quest for the championship.

JUNE
 Through December: Malay Golden Letters Exhibition, held throughout Malaysia.

This exhibition will highlight the Malay Golden Letters from British collections. The letters embody the highest standards of the Malay civilization, with its beautiful illumination and calligraphy, eloquent language and complex formal structure that mirrors the hierarchies of traditional Malay society.

JULY
 July 3-10: Flora Festival, Kuala Lumpur. Experience the sights and scents of Malaysia's floral splendor during this week-long festival. Don't miss the

Flora Parade, the highlight of the festival, as beautifully decorated floats wind their way through the streets of Kuala Lumpur.

AUGUST
 Aug. 27-31: National Day Celebrations, throughout Malaysia.

Watch the nation celebrate 37 years of independence. Towns and cities throughout Malaysia will be gaily decorated and adorned with bright lights for the grand occasion. Parades, exhibitions, stage shows and other cultural activities will be held.

SEPTEMBER
 Sept. 10-24: Malaysia Fest, Kuala Lumpur. Savor the best of Malaysia, all in one place - Kuala Lumpur. For 15 days and nights, this "Garden City of Lights" will come alive with a myriad of handicraft, food, cultural and sporting extravaganzas.

International Puppet Festival, Kuala Lumpur.
 A display of the world's puppets, ranging from string puppets, rod puppets and hand puppets to "bunaku" and shadow puppets.

OCTOBER
 Oct. 1-15: World Snooker Championship, 1994, Putra World Trade Centre, Kuala Lumpur. Fast-paced action as contestants from 52 countries cross cue sticks for the championship.

NOVEMBER
 Nov. 25-28: Malacca Beach Festival, Klebang. Traditional and modern water sports are the highlights of this festival by the sea.

DECEMBER
 Dec. 3-4: ASEAN Literature Meet, Morib, Selangor. This seaside resort is the venue for the international exchange of creative literary ideas.



A LAND OF TRADITIONAL DANCE AND MUSIC



TRAVELING FOR SUN, SEA AND CELEBRATIONS.

KL CONFERENCE TO EXPLORE BUSINESS OPPORTUNITIES

Malaysia: Powerhouse of the 1990s - a major international conference on trade and investment opportunities in Malaysia - will be held in Kuala Lumpur on Nov. 15 and 16, 1993. Prime Minister Mahathir bin Mohamad heads the list of key leaders from the government and private sector who will be participating in this important event.

Among the topics on the conference's agenda are the future of Malaysia's economy and its role within the Association of Southeast Asian Nations (ASEAN) as well as the flourishing Kuala Lumpur Stock Exchange and the growth of the Malaysian securities industry.

There will also be a sector-by-sector analysis of trade and investment opportunities and practical advice on how to meet local business executives and potential investment partners.

Participants will also get the opportunity to develop relationships with top government officials and captains of industry and to glean crucial information on where high-yield opportunities for investment and cooperation can be found in Malaysia.

Delegates interested in learning more details about opportunities in specific areas of business can attend post-

Government and industry leaders will participate

conference seminars arranged by the Malaysian Industrial Development Authority (MIDA).

Senior government ministers addressing the conference include Anwar Ibrahim, minister of finance; Rafidah Aziz, minister of international trade and industry; Sarty Vellu, minister of energy, posts and telecommunications; and Lim Keng Yaik, minister of primary industries. There will be discussion sessions with the ministers after their respective lectures.

Key leaders of the Malaysian business community who will attend the conference include Atok Ihan, chairman of Philips Malaysia; Ani Arope, chairman of Tenaga Nasional, the state power company; and Rashdan Baba from Telekom Malaysia.

Among other participants are Mohamad Munir Abdul Majid, chairman of the Securities Commission; Azizan Zainul Abidin, president of Petronas, the state petroleum company; the U.S. economic counselor, Paul Walters; and Malcolm Williamson, group chief executive of Standard Chartered Bank.

"Malaysia: Powerhouse of the 90s," which will take place at the Shangri-La Hotel in Kuala Lumpur, is convened by the International Herald Tribune in association with MIDA and the Institute of Strategic and International Studies (ISIS).

For registration or further information, contact Brenda Hagerty, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England; tel: (44 71) 836 4802, fax: (44 71) 836 0717; or Justin Smith, International Herald Tribune, 7th floor, Malaysia Building, 50 Gloucester Road, Hong Kong; tel: (852) 861 0616, fax: (852) 861 3073.

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- ▶ successful diversification of the Malaysian economy, with less necessity to convert forest land to agriculture in the future;
- ▶ progress in poverty eradication, including the provision of social and economic opportunities for forest dwellers, which effectively reduces shifting cultivation practices on forest areas;
- ▶ promotion of eco-tourism where tourists can enjoy Malaysia's extensive natural forest, national parks, wildlife sanctuaries and nature reserves.

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とわ みに
 森は永遠、マレーシアは常緑



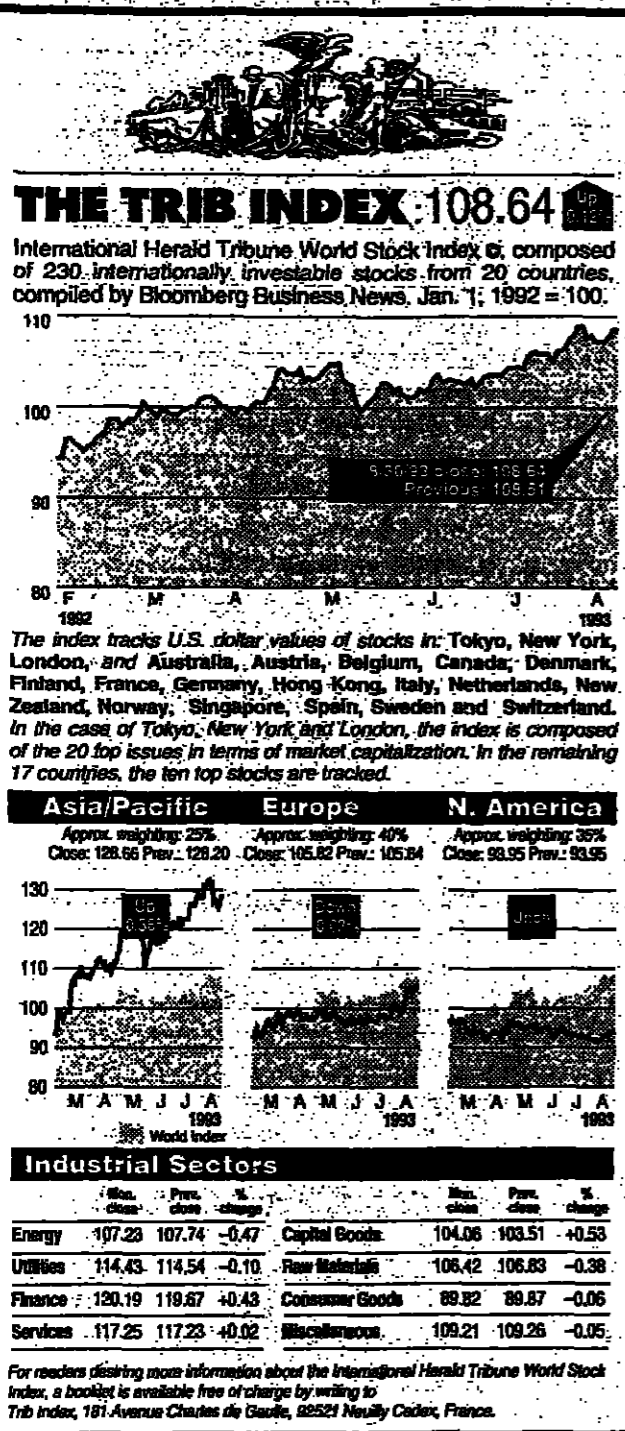
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For more information please contact: The Malaysian Timber Industry Development Council, 9th, 9th Floor, Bengawan Arab Malaysia, 55, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia. Tel: 03-2523999, Fax: 03-2386376

BUSINESS

International Herald Tribune, Tuesday, August 31, 1993

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U.S. Carriers Fear New Barriers Talks With Bonn on Aviation Pact May Set Precedent

By Adam Bryant
New York Times Service

German and U.S. officials are meeting this week in Bonn to begin talks that they hope will salvage their threatened aviation agreement. This is the first of many tests in coming months for Washington as it contends with a growing list of countries that believe U.S. airlines carry more than their fair share of international traffic.

It is widely believed that the outcome of the German talks will set a precedent for those with other countries — including Japan, France and Australia — that have signaled a desire to slow the rapid expansion overseas by U.S. airlines like American, Delta, United and Northwest.

The manner in which these talks are resolved will have some impact on some other bilateral discussions we are having," said Federico F. Peña, the U.S. transportation secretary.

If negotiators for the United States do not find common ground with those countries, American travelers may face less frequent flights and higher fares to some overseas destinations.

Airline officials and aviation analysts are also watching Bonn for a clearer sense of the U.S. administration's strategy for dealing with these recent objections to long-standing bilateral aviation agreements.

The national commission ap-

pointed by President Bill Clinton to study the airline industry has recommended that the United States also pursue multilateral agreements.

Groupings by trading blocs are a popular notion, and that idea appears ripe for the airline business, particularly in light of a proposal by KLM, Swissair, Scandinavian Airlines System and Austrian Airlines to explore a merger.

Any movement toward multilateral agreements, however, would require that the participants do not feel threatened, as many do now, by the United States. Thus, industry experts suggest that the United States balance firmness in maintaining short-term access to countries for U.S. carriers, while resolving current

disputes diplomatically, with an eye to the future.

"It's a bit of a tightrope walk," said John F. Ash, a managing director of Global Aviation Associates, a Washington consulting firm.

The talks pending between the United States and other countries underscore why bilateral agreements are becoming obsolete. Roughly 1,200 international agreements dating from 1944 dictate where and how often airlines can fly to foreign countries.

But the rise of international marketing alliances, like the one between Northwest Airlines and KLM Royal Dutch Airlines, and the potential for multinational mergers, has complicated things.

"Pretty soon we won't know who we're negotiating for," said Patrick V. Murphy, acting U.S. assistant secretary of transportation.

Germans Split Over Stance On Farm Talks

Compiled by Our Staff From Dispatches

BONN — A dispute brewing within Germany's ruling coalition on whether to renegotiate some key points of the U.S.-EC farm accord came close to boiling point Monday as Foreign Minister Klaus Kinkel publicly contradicted Chancellor Helmut Kohl's spokesman.

Mr. Kinkel, leader of Germany's Liberal Party, said at a news conference that the government did not want "the Blair House agreement to be changed in any way."

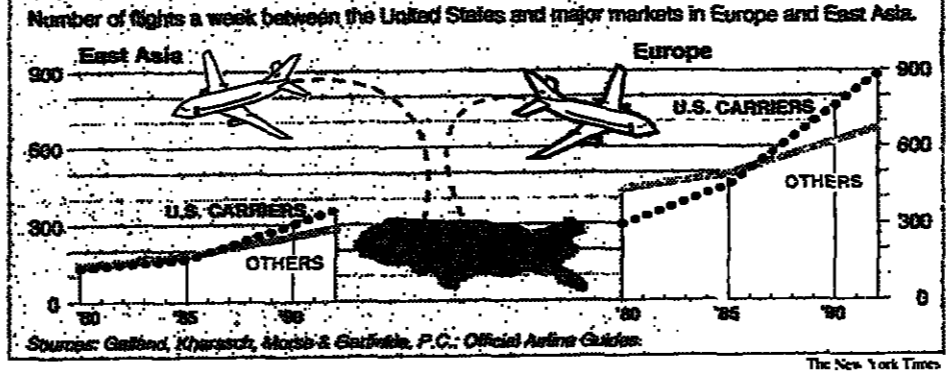
But at the same time, Dieter Vogel, the government spokesman, said at a separate news conference that Germany did not consider the so-called Blair House agreement on farm trade to be definitive.

Germany has come under pressure from France, the other half of the European Community's core partnership, to push for an easing of the agreement with the United States under which the Community promised to cut subsidies to farmers.

Mr. Vogel said Monday that Germany did not want the Blair House accord to go beyond the provisions of the EC's reform of its Common Agricultural Policy. That has also been the French position.

The government spokesman said that "The EC Commission has assured us that this compromise was compatible with the CAP reform. France has doubts about this. We are going to study the French objections, and if necessary, we will ask the commission at the Sept. 20 meeting of farm ministers to come back to the disputed points in the preliminary agreement and talk about them again with the United States."

U.S. Airlines Stretch Their Intercontinental Wings



For Chinese Capitalism, a Long March

By Paul Blustein
Washington Post Service

CHANGCHUN, China — For all the stories about China embracing capitalism, for all the tales about Communist bigwigs starting businesses and former Red Guards trading stocks, the No. 1 Automotive Manufacturing Plant shows that old-style Leninism still pervades large segments of China's economy.

The factory, built 40 years ago in this northeastern city with technical help from the Soviet Union, employs 100,000 people who as-

semble more than \$1 billion worth of Liberation trucks, Red Flag limousines and other vehicles a year.

Protected from efficient foreign competitors by steep tariffs, the plant is heavily subsidized and entirely government-owned, except for a separate joint venture with Volkswagen AG that produces sedans. Its sprawling grounds encompass a cradle-to-grave social-welfare system for the workers and their families: tens of thousands of apartments and dormitories, a hospital, 22 elementary and secondary

schools, dozens of stores, a library and recreational facilities such as the Automotive Workers' Cultural Palace, where movies and plays are presented.

China's economy is "half-reformed," as the World Bank observed in a recent report, and the No. 1 Automotive Manufacturing Plant is an example of the unreformed half. Being semi-reformed might seem to pose little problem for China; the nation has posted double-digit annual growth rates over much of the past decade. But

increasingly, economists — and apparently Chinese leaders, too — are questioning whether China can continue to thrive in its current hybrid form, neither full-fledged socialist nor capitalist.

The man responsible for launching the reform policy in 1978, the senior leader Deng Xiaoping, has brought China a long way toward a free-market economy. Prices of nearly all products, with a few exceptions such as petroleum, have

last week that Germany, like France, had "problems" with Blair House led to accusations that Germany could be retreating from its commitment to free trade.

But Mr. Vogel tried to deflect such worries, saying at the news conference that Germany was as determined as ever to see successful completion of the Uruguay Round, named after the country where the world trade talks were launched nearly seven years ago.

The dispute raised the prospect of a split in the ruling coalition. Mr. Kinkel, foreign minister and head of the free-market Liberal Democrats, junior partners in the government, said Blair House should not be tampered with or "unwound in any way."

The party has bitterly criticized French intransigence over the GATT negotiations in the past.

But Mr. Kinkel added that Germany was in a difficult situation and had to make every effort to reach a satisfactory solution with France.

A statement from the former Liberal Democrat president, Otto Lambsdorff, a firm believer in the free market, warned the German government about renegotiating the agreement, saying it would spell the death of the Uruguay Round and lead to an "indefinite international trade war."

Peter Sutherland, the new director-general of Geneva-based GATT, will try on Tuesday to relaunch the Uruguay Round and get participating countries to promise that they will push for a deal by December.

With this in mind, he will meet Mr. Kohl on Wednesday and Prime Minister Edouard Balladur of France on Sept. 8.

In Paris, a spokesman for the main French farmers' union said Monday that the union president would meet his German counterpart in Paris on Tuesday.

The spokesman said the two unions shared a hostility to the Blair House agreement and wanted renegotiation of the accord.

(Reuters, AFP, Knight-Ridder)

INTERNATIONAL STOCKS

Unraveling Japan's Webs Of Cross-Shareholdings

By James Sterngold
New York Times Service

TOKYO — For years now, foreign and Japanese market analysts have invented reasons to explain why stock prices and most measures of share value in Japan should be many times higher than comparable measures in the West. Some said it was the tax structure, or the accounting system. Others argued it was a sort of unique cultural chromosome.

Shoichi Royama has looked at this question on behalf of the Finance Ministry, and he has a surprising conclusion: "The stock market in Tokyo is not really a market."

Mr. Royama, dean of the economics department at Osaka University, is one of Japan's leading financial economists. He chaired an advisory commission that studied problems in the Japanese market and released this summer a report that produced some sobering conclusions — and some proposals that analysts say could have a major impact on a stock market closing in on its fourth year of a deep funk.

In short, the report offered the radical suggestion that the market should be a forum for the open interplay of supply and demand rather than manipulation by corporate interests. Corporations, it said, should be forced to disclose more information, raise dividends and be permitted to buy back their own shares.

It is a measure of the concern in Japan over the market's health that such ideas are being seriously considered within the government.

The report focused on what are known as *keiretsu*, or cross-shareholdings. These enveloping webs between companies and financial institutions have thwarted the free-market principles that stock exchanges supposedly reflect, the report said.

Mochizuki developed particularly during the 1960s. Companies spent huge sums building up cross-shareholdings with their banks, their suppliers, their major customers and other members of their closely knit groups, or *keiretsu*.

As a result, individuals have been slowly squeezed out of the market by corporate interests. Individuals hold just 20 percent of the value of all shares in Tokyo now, compared with more than 70 percent in the late 1940s and early 1950s.

According to Mr. Royama, *keiretsu* protected companies from takeover, limited companies to pay minuscule dividends and distorted the setting of prices, effectively pushing them too high.

Even large pension and trust funds, which are supposed to seek

Crow Manages To Keep Going

By Jeanne B. Pinder
New York Times Service

DALLAS — Once the top U.S. real estate developer, a \$15 billion empire with scores of partners who shared in the ownership of hundreds of buildings, Trammell Crow Co. has shrunk and split into two: a company that manages properties for others with a paltry \$19 million in profit last year and a separate private corporation that owns \$5.5 billion in assets.

In just four years, two-thirds of the 180 partners lost their ownership interests in all buildings, and about that many left the company. In the same period, the company's staff was cut to 2,400 from 3,500. About 20 of its 90 U.S. offices were closed.

A paradox is that by the standards of its industry, many consider the Trammell Crow real estate empire a success just because it continues to exist and even makes money — although it is by no means certain that its effort to remake itself will be a victory.

Because of the collapse in U.S. commercial real-estate values, Trammell Crow, once a group of swashbuckling builders who made millions of dollars on construction nation-

wide, has spent the last three years turning itself into a company that earns nickels and dimes managing other people's buildings and sweeping their floors.

Most of the assets it owned during the building boom of the 1980s have been taken out of the hands of departing partners and put in the hands of the family of Trammell Crow, the founder, in the separate corporate entity, Trammell Crow Interests.

Trammell Crow Co. is ranked the top property manager in the United States by the amount of space in its portfolio, 242.2 million square feet (21.8 million square meters), in this year's survey by the National Real Estate Investor.

The landscape is littered with the carcasses of developers who failed, perhaps most notably Olympia & York Developments Ltd., the Canadian empire whose U.S. arm is still afloat and still struggling to refinance its debt.

Even at Crow, success is relative. At the Dallas headquarters, J. McDonald Williams, 52, the chief executive since 1977, said the changes had been wrenching.

"We got out of whack with

Procordia United Brands will on the 1st September 1993 become the business area Swedish Match

The management offices are moving, effective as of the above date, after which time their address will be:

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Tel: +41 22 363 93 93.
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Zündis, Fiat Lux, Cricket, Feudor and Poppell.

The majority of the business area's sales are outside Scandinavia and their total worth amounts to approximately SEK 7.600 million, the net operating profit being approximately SEK 1.200 million.

The business area's operations will, subject to the planned sale of the confectionery operations, concentrate on three product groups, namely tobacco, matches and disposable lighters.

The business area has approximately 8,000 employees and manufacturing facilities in 30 or so locations. It also has its own worldwide sales organizations in around 25 different countries.

The business area includes: Svenska Tobaks AB, the EBAS Group, the Pinkerton Group and Swedish Match Lights Division.

Well-known brand names include: Blend, John Silver, Ettan, Greve Hamilton, Borkum Riff, Bellman, La Paz, Willem II, Clubmaster, Red Man, Granger Select, Half and Half, Solstickan, Swan Vestas,

The business area is presently wholly-owned by Procordia AB. As a result of an arrangement between Procordia's principal owners, ownership of Swedish Match shall be deemed to have been transferred to the Volvo Group, the transfer to be effective from the latter half of 1993. The business area company and its Supervisory Board remain in Sweden.

CURRENCY & INTEREST RATES

| Cross Rates | Aug. 30 |
|-------------------|----------|
| American \$ | 1.00 |
| British £ | 0.75 |
| French F | 6.55 |
| German M | 1.36 |
| Italian L | 1.36 |
| Japanese ¥ | 143.74 |
| Swiss S | 1.48 |
| Spanish P | 166.37 |
| Portuguese Esc | 200.48 |
| Belgian B | 33.36 |
| Dutch G | 3.76 |
| Australian A | 1.54 |
| New Zealand D | 1.27 |
| Canadian C | 0.71 |
| South African R | 1.50 |
| Indian Rupee | 47.83 |
| Singapore Dollar | 1.36 |
| Hong Kong Dollar | 0.78 |
| Taiwan Dollar | 24.63 |
| Philippine Peso | 49.68 |
| Malaysian Ringgit | 2.36 |
| Indonesian Rupiah | 1,577.26 |
| Thai Baht | 50.78 |
| Chinese Yuan | 8.27 |
| South Korean Won | 200.48 |
| Japanese Yen | 143.74 |

| Eurocurrency Deposits | Aug. 27 |
|-----------------------|-------------|
| 1 month | 3 1/2-3 3/4 |
| 3 months | 3 3/4-3 1/2 |
| 6 months | 3 1/2-3 1/4 |
| 1 year | 3 1/4-3 1/2 |

| Key Money Rates | Aug. 30 |
|-----------------------|---------|
| Discount rate | 5.00 |
| Federal funds | 5.25 |
| 3-month CDs | 5.25 |
| 6-month CDs | 5.25 |
| 1-year CDs | 5.25 |
| 1-year Treasury bill | 5.25 |
| 1-year Treasury note | 5.25 |
| 2-year Treasury note | 5.25 |
| 3-year Treasury note | 5.25 |
| 5-year Treasury note | 5.25 |
| 10-year Treasury note | 5.25 |
| 30-year Treasury bond | 5.25 |

| Other Dollar Values | Aug. 30 |
|---------------------|----------|
| Canadian \$ | 0.71 |
| British £ | 0.75 |
| French F | 6.55 |
| German M | 1.36 |
| Italian L | 1.36 |
| Japanese ¥ | 143.74 |
| Swiss S | 1.48 |
| Spanish P | 166.37 |
| Portuguese Esc | 200.48 |
| Belgian B | 33.36 |
| Dutch G | 3.76 |
| Australian A | 1.54 |
| New Zealand D | 1.27 |
| Canadian C | 0.71 |
| South African R | 1.50 |
| Indian Rupee | 47.83 |
| Singapore Dollar | 1.36 |
| Hong Kong Dollar | 0.78 |
| Taiwan Dollar | 24.63 |
| Philippine Peso | 49.68 |
| Malaysian Ringgit | 2.36 |
| Indonesian Rupiah | 1,577.26 |
| Thai Baht | 50.78 |
| Chinese Yuan | 8.27 |
| South Korean Won | 200.48 |

| Forward Rates | Aug. 30 |
|---------------|---------|
| 30-day | 1.00 |
| 60-day | 1.00 |
| 90-day | 1.00 |
| 180-day | 1.00 |
| 360-day | 1.00 |



MARKET DIARY

Telephone Shares Gather Strength

Compiled by Our Staff From Dispatches
NEW YORK — U.S. stocks rose Monday, with several broad-market indexes setting records, buoyed by sliding long-term interest rates and a rally in telephone issues.

N.Y. Stocks

taking to edge 3.36 points higher, to 3,643.99. That brought it to just below its record close of 3,652.09, which was set Wednesday. Advancing New York Stock Exchange issues led declines by a 3-to-2 ratio.

Telephone stocks were rallying on expectations of higher sales resulting from a federal judge's decision to allow them to provide television services to their phone clients.

National Medical Enterprises was the most-active issue on the New York Stock Exchange, down 1/4 to 7 1/2. The stock has been tumbling since Friday, after it was reported the FBI was conducting an investigation of possible criminal misconduct by the hospital operator.

Sales of Marks for Yen Push Dollar Higher

Compiled by Our Staff From Dispatches
NEW YORK — The dollar rose Monday in thin trading in a technical rebound.

Late in the New York day, the dollar stood at 1.6720 Deutsche marks, up from 1.6640 late Friday, and at 103.80 yen, unchanged. The U.S. currency rose to 5.8475 French francs from 5.8255 francs and to 1.4725 Swiss francs from 1.4685.

New York, said dealers had bought yen and sold marks.

There's so much uncertainty about dollar/yen, but the market apparently considers the yen a better buy today," she said. "But the yen rose against the mark, not the dollar, so dollar/mark gained."

European Stocks Hit Records

Agence France-Press
PARIS — Stock prices rose to record levels Monday for the third consecutive session as markets across Europe gained from investor confidence that lower interest rates are on the horizon.

The Paris Bourse's CAC-40 index gained 1 percent, to a record 2,205.67 points, up from Friday's 2,183.88.

The Frankfurt market was also strong, with the DAX index rising 17.29 points, to 0.9 percent, to 1,921.29 points and the Commerzbank measure gaining 12.10 points to 2,103.60.

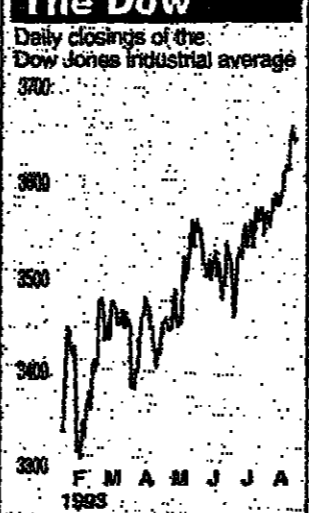
The European component of the International Herald Tribune World Stock Index was at 105.62, down 0.02 percent from 105.64 on Friday. The index tracks the dollar value of stocks.

WORLD STOCK MARKETS

Table with columns for City, Index, and Close/Prev. Includes Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich.

For investment information read THE MONEY REPORT every Saturday in the IHT

The Dow



NYSE Most Actives

Table listing NYSE Most Active stocks with columns for Symbol, High, Low, Close, and Change.

AMEX Most Actives

Table listing AMEX Most Active stocks with columns for Symbol, High, Low, Close, and Change.

NYSE Diary

Table with columns for Symbol, Close, and Prev. for NYSE.

Amex Diary

Table with columns for Symbol, Close, and Prev. for Amex.

NASDAQ Diary

Table with columns for Symbol, Close, and Prev. for NASDAQ.

Dow Jones Averages

Table with columns for Index, High, Low, Last, and Chg. Includes Industrials, Commodities, and Composite.

Standard & Poor's Indexes

Table with columns for Index, High, Low, Close, and Chg. Includes Industrials, Financials, and Utilities.

NYSE Indexes

Table with columns for Index, High, Low, Close, and Chg. Includes Composite, Industrials, and Utilities.

NASDAQ Indexes

Table with columns for Index, High, Low, Close, and Chg. Includes Composite, Financials, and Biotech.

AMEX Stock Index

Table with columns for High, Low, Close, and Chg. Includes NYSE, AMEX, and NYSE.

Dow Jones Bond Averages

Table with columns for Index, High, Low, Close, and Chg. Includes 30 Bonds, 10 Utilities, and 10 Industrials.

Market Sales

Table with columns for Index, High, Low, Close, and Chg. Includes NYSE, AMEX, and NYSE.

S&P 100 Index Options

Table with columns for Symbol, High, Low, Close, and Chg. Includes S&P 100, S&P 500, and S&P 100.

EUROPEAN FUTURES

Table with columns for Index, High, Low, Close, and Chg. Includes DAX, DAX, and DAX.

Spot Commodities

Table with columns for Commodity, Today, and Prev. Includes Aluminum, Copper, and Gold.

N.Y.S.E. Odd-Lot Trading

Table with columns for Symbol, Buy, and Sell. Includes NYSE, AMEX, and NYSE.

Dividends

Table with columns for Company, Dividend, and Yield. Includes Amgen, Amgen, and Amgen.

Market Sales

Table with columns for Index, High, Low, Close, and Chg. Includes NYSE, AMEX, and NYSE.

S&P 100 Index Options

Table with columns for Symbol, High, Low, Close, and Chg. Includes S&P 100, S&P 500, and S&P 100.

Specter Of Arrest Over Lopez

Compiled by Our Staff From Dispatches
FRANKFURT — German prosecutors are considering asking a judge to issue an arrest warrant for José Ignacio López de Arriola, Volkswagen AG's charismatic and controversial purchasing chief, according to the German daily newspaper Die Welt.

"A case could be made that there is a danger he might flee the country or evade to obscure the investigation," the newspaper wrote in an excerpt made available to other media in advance of the article's publication Tuesday.

The report could not immediately be confirmed.

Mr. Lopez, who joined Volkswagen in March from General Motors Corp., and seven other former GM managers who moved with him to VW, are being investigated on allegations of industrial espionage.

Meanwhile, Volkswagen's Spanish subsidiary, SEAT, dismissed a "pure speculation" newspaper report that Mr. Lopez, a Spaniard, would be joining SEAT as its boss.

"Those reports are totally unfounded and far-fetched," a SEAT spokesman said in Madrid. He also said a meeting of the VW supervisory board on Friday would deal with routine matters.

(Reuters, Bloomberg)

U.S./AT THE CLOSE

Trade Deficit Grew in 2d Quarter

WASHINGTON (Combined Dispatches) — The U.S. merchandise trade deficit, on a balance-of-payments basis, widened to \$3.4 billion in the second quarter, the Commerce Department said Monday.

It was the largest quarterly trade gap in five and a half years and the fourth widening in the trade balance in the last five quarters. The deficit was 17.3 percent wider than in the first quarter, when it was \$2.9 billion. The balance-of-payments basis excludes military sales and gold shipments.

Separately, the government said sales of new homes fell 5 percent in July to the lowest level in four months, despite the lowest mortgage rates in more than two decades. Sales were at a seasonally adjusted annual rate of 629,000, down from a revised 662,000 a month earlier.

Insurers in Huge Asbestos Settlement

NEW YORK (Combined Dispatches) — Two insurers that provided Fibreboard Corp. with liability insurance in the 1950s have agreed to the costliest settlement of asbestos-injury claims ever proposed, the building materials concern said Monday.

Chubb Corp. and CNA Financial Corp. agreed to increase their combined reserves for asbestos-injury claims to more than \$3 billion. Chubb said it would take an after-tax charge of \$358 million in the third quarter related to the settlement provision. CNA Financial, which is 83 percent-owned by Loews Corp., said it would take a charge of \$325 million.

It Was a Hot July for Bond Funds

NEW YORK (Knight-Ridder) — U.S. investors poured a record amount of money into long-term mutual funds last month, according to data released Monday by the Investment Company Institute.

Net new cash flow into bond and income funds surged to \$13 billion in July from \$10.6 billion in June. The previous bond funds monthly record of \$12.8 billion was set in January 1987.

Mercedes Truck Unit Will Expand

PORTLAND, Oregon (Bloomberg) — Mercedes-Benz AG said Monday its Freightliner Corp. American subsidiary would invest about \$90 million to double the size of its truck production capacity in response to rising sales.

Truck sales rose 38 percent in the first half of the year to 17,200 vehicles. Mercedes-Benz said Freightliner planned to manufacture 48,000 trucks this year, and it said it aimed to raise the total capacity of its Freightliner plants to 60,000 vehicles a year.

UAW Picks Ford as Target Company

DETROIT (Bloomberg) — Ford Motor Co. was chosen Monday by the United Auto Workers as the target company to complete negotiations for contracts covering about 400,000 union members by midnight Sept. 14.

The union traditionally chooses one of Detroit's Big Three automakers to either finish negotiations by the deadline or face a possible strike. The UAW then bargains later with the other two carmakers.

Russian Oil Privatization Plan

HOUSTON — Russia will privatize 60 percent of its oil and gas industry within 12 to 18 months, Prime Minister Viktor S. Chernomyrdin said here Monday.

Speaking to U.S. energy-industry leaders, he also detailed some of the projected costs of halting the decline in Russian oil output that has been under way since 1989.

Mr. Chernomyrdin said \$10 billion to \$12 billion in investments would be needed to restore the thousands of existing oil wells in Russia that are not operating efficiently enough to produce. He said an additional 5.3 million barrels a year could come from these wells.

Mr. Chernomyrdin also said another \$10 billion would be needed to improve output levels at producing fields.

He said a total of \$60 billion to \$65 billion would be needed by the year 2000 to build up other aspects of the energy sector, such as developing new oil fields and building up the oil-field equipment industry.

(Knight-Ridder)

U.S. FUTURES

Table with columns for Symbol, High, Low, Close, and Chg. Includes Corn, Soybeans, and Wheat.

Grains

Table with columns for Symbol, High, Low, Close, and Chg. Includes Corn, Soybeans, and Wheat.

SOYBEAN MEAL (CBT)

Table with columns for Symbol, High, Low, Close, and Chg. Includes Soybean Meal.

SOYBEAN OIL (CBT)

Table with columns for Symbol, High, Low, Close, and Chg. Includes Soybean Oil.

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SOYBEAN OIL (CBT)

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Metals

Table with columns for Symbol, High, Low, Close, and Chg. Includes Copper, Gold, and Silver.

HI GRADE COPPER (COMMOD)

Table with columns for Symbol, High, Low, Close, and Chg. Includes Copper.

PLATINUM (NYMEX)

Table with columns for Symbol, High, Low, Close, and Chg. Includes Platinum.

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Industrials

Table with columns for Symbol, High, Low, Close, and Chg. Includes IBM, GE, and Ford.

HEATING OIL (NYMEX)

Table with columns for Symbol, High, Low, Close, and Chg. Includes Heating Oil.

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Financial

Table with columns for Symbol, High, Low, Close, and Chg. Includes US T-Bills, Treasury Bonds, and Treasury Notes.

U.S. T-BILLS (MM)

Table with columns for Symbol, High, Low, Close, and Chg. Includes T-Bills.

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U.S. T-BILLS (MM)

EUROPE

Successor Chosen at GPA Group

DUBLIN — Dennis Stevenson, a London businessman, will replace Tony Ryan, founder of GPA Group PLC, as its chairman under a rescue package for the world's largest aircraft-leasing firm, aviation sources said Monday.

The sources said GPA's prominent nonexecutive directors — Nigel Lawson, a former British chancellor of the Exchequer, Gerard Fitzgerald, a former prime minister of Ireland, and Sir John Harvey Jones, a former chairman of Imperial Chemical Industries Ltd. — would also leave their posts under a plan worked out with General Electric Co. to save GPA.

GPA, straining under debts of \$5.5 billion, was pulled back from the brink of collapse in May when the financial-services subsidiary of General Electric, the American electronics, defense, broadcasting and consumer-products giant, agreed to buy 45 percent from it in return for the right to buy 65 percent to 80 percent of GPA's shares.

French Jobless Total Mounts

PARIS — The French government tried Monday to put a good face on its latest unemployment numbers, which, as expected, showed joblessness rising to a record 11.7 percent in July. "This 0.8 percent rise is the smallest increase in the last six months, but unemployment is still growing faster than last year," the Labor Ministry said. The July total of 3.21 million jobless was 10.0 percent more than a year earlier, while the rate in June of this year was 11.6 percent. Finance Minister Edmond Alphandery said in an interview

published Monday the economy had stabilized and a "real recovery" was expected to become evident within several months. In the economic daily La Tribune, Mr. Alphandery said: "In all likelihood, we are at the bottom of the cycle, at a weak level of economic activity. This floor should lead into a real recovery several months from now." He said the government's forecast the economy would "exit from the tunnel" by early next year was "far from being unrealistic." Some analysts took an opposing view. "There is no improvement at all in today's figures,"

said Philippe Auverny, chief economist at Credit Agricole. "And everyone knows they are going to get worse." The July figures were in line with market expectations and fit last month's forecast by INSEE, the French national institute of statistics. Economic activity probably picked up in the second quarter, but analysts were pessimistic about the current period. "I think we'll see GDP falling off again in this quarter," said Bernard Godevent of Nomura Research Institute Ltd. (AFP, Reuters, Knight-Ridder, Bloomberg)

Hoechst Profit Falls 31% as Demand In Germany Sags

FRANKFURT — Hoechst AG, one of the Big Three German chemical makers, reported Monday that first-half pretax profit had plunged 31 percent because demand and prices were particularly low in Germany.

The company said group first-half net profit dropped to 402 million Deutsche marks (\$241 million), from 583 million DM. Group sales dropped 2.4 percent to 22.33 billion DM, from 3.45 billion DM a year earlier. The company, the third largest German chemical maker to report weak first-half results, said business was worse in the second quarter than in the first and expected the remainder of 1993 to prove difficult. Last week, BASF said pretax profit had fallen by more than half, while Bayer AG reported a 20 percent decline.

"Business was weak in July and August and there is no sign of particular stimuli for the coming

months," the company said in a letter to shareholders. "Above all in Germany, we're expecting a very difficult second half."

The company said that because of these expectations, "projects aimed at cutting costs and improving structures will be continued speedily."

In Western European countries other than Germany, business kept to a low level, Hoechst said. It said that foreign operations increased profits, without giving figures.

Parent-company pretax profit plunged 47 percent to 342 million DM, from 643 million DM a year earlier. Parent-company sales fell 12 percent to 7.23 billion DM from 8.21 billion.

Hoechst Celanese, the U.S. fibers unit, recorded a 6 percent drop in sales, to \$2.1 billion. Sales in Africa, Asia and the Pacific basin fell 1 percent, while sales in Latin America showed a "slight gain."

Investor's Europe

Table with columns for Exchange, Index, Monday Close, Prev. Close, and % Change. Rows include Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvaarden, Vienna Stock Index, Zurich SBS.

Very briefly:

- Oerlikon-Bührle AG, a conglomerate that sells armaments, shoes and vacuum technology, said its first-half net profit, at 15 million Swiss francs (\$10.1 million), had been hit by a 14 percent decline in revenue, to 1.38 billion francs; the adoption of new accounting standards meant the profit was not comparable with last year's first-half result of 5.3 million francs.
• FAG Kugelfischer Georg Schäfer KGaA, Europe's second-biggest ball-bearing manufacturer, said it had suffered a net loss of 103 million Deutsche marks (\$61 million) in the first half of the year.
• AMB Aschener & Münchener Beteiligungs AG, the German insurer, expects to pay a 1993 dividend of no less than last year's 10 DM a share.
• Puma AG Rudolf Dassler Sport swung to a net loss of 55.7 million DM in the first half of 1993 from a profit of 2.3 million DM a year earlier.
• Eli Lilly & Co. has acquired the Belgian-based European research and development unit of G.D. Searle & Co.

CROW: U.S. Developer Managing to Get Through a Real Estate Collapse

Continued from Page 9 the decentralized, jet-jockey system of the 1980s," he said, and the downturn forced a change to management instead of building. "It's a nickel-and-dime, thin-margin, service-oriented business," he said. "It's tough, but it's our world."

The jet-jockey culture — Mr. Williams's phrase for the aggressive, build-more-now ethos of the 1980s — is what made Trammell Crow a success.

At its peak, the company was like a franchise operation staffed by bright young graduates from the best U.S. business schools: It sought out local partners who used their experience, market knowledge and connections to build in partnership with the parent company,

sharing not only a project's profits, but also the debt risk. One former partner said the company "was almost socialist in nature — you took out what you needed to live on, and the rest stayed in the partnership." Salaries were small and partnership profits big, so the partners' psyches were tied to continued building. This is not particularly surprising

for a company built in part on the theory that "the seller is always wrong" — one of the aphorisms attributed to Trammell Crow. Three years ago, after the downturn hit, Crow management instituted a plan to deal with the plummeting values of its real-estate holdings by taking back partners' ownership interests in the buildings in exchange for forgiveness of debt.

France to Relax TV Rules

PARIS — France plans to relax curbs on television ownership and advertising, Communications Minister Alain Carignon said Monday.

The rules would benefit films and dramas produced in Europe by allowing increased advertising during such programs. Mr. Carignon, giving a preview of a bill to be presented this fall, said

removing "useless restrictions" would help stations' profitability. He told a media-industry conference the limit on the stake a single shareholder could own in a station would rise to 30 percent from 25 percent.

Another important measure was the possibility for channels to run a second advertising break during the broadcast of European films.

NASDAQ

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

NYSE

NYSE prices as of 4 p.m. New York time. This list, compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

AMEX

AMEX prices as of 4 p.m. New York time. This list, compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

OTC

OTC prices as of 4 p.m. New York time. This list, compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

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Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

OTC

OTC prices as of 4 p.m. New York time. This list, compiled by the NYSE, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, Bid, Ask, High, Low, Last, Chg, High, Low, Last, Chg. Lists various stock prices.

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NYSE Monday's Closing

Tables include the nationwide plus up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

WEBS: In Tokyo, New Proposals for Unraveling Cross-Shareholdings

Continued from Page 9
The report to the Finance Ministry was one indication that change may be coming, however...

term, inevitably, irreversibly they will be selling some of those holdings.
Kathy Matsui, a strategist at Barclays de Zoete Wedd Securities in Tokyo, said that some life-insurance company clients of her firm have ranked their "policy" holdings as being prepared to sell some of them, if slowly.

Table with columns: ABC INVESTMENT & SERVICES CO (ELC), BUCHANAN FUND LIMITED, ALPHA FUND MANAGEMENT LTD, etc. Lists various fund managers and their offerings.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

INTERNATIONAL FUNDS

Aug. 30, 1993
Quotations supplied by Invesco Ltd. Not asset value quotations as they are subject to change without notice.

Table with columns: MALLABU CAPITAL MGMT (BERNARD) LTD, MERRILL LYNCH, etc. Lists various international funds and their details.

Table with columns: 12 Month High Low Stock, Div, Yld PE, High, Low, Last, Change. Lists various stocks and their performance.

Matsushita Unveils Flat TV Screen

Compiled by Our Staff From Dispatches TOKYO — Matsushita Electric Industrial Co. unveiled on Monday a briefcase-shaped television screen and said mass production would reduce its price to about twice that of current TV tubes.

The new screen makes it possible to build a 14-inch (36-centimeter) television set less than 10 centimeters thick. Industry analysts showed a prototype set said its picture looked as good as that on a regular TV.

TNT and Founder Part Ways

SYDNEY — The Australian transport pioneer Sir Peter Abeles on Monday severed his ties with TNT Ltd., the company he built from a two-truck operation into a global empire over four decades.

low of 53 cents a share last November amid concern about more than two years of losses at TNT. Monday's rise constituted "a sign people were reluctant to buy the stock while Abeles remained in any way associated with it," one broker said.

China Central Bank Is Ordered to Cut Links to Own Firms

BEIJING — China, extending an anti-corruption drive and seeking to halt a loss of state funds, has ordered the central bank to cut all links with businesses it set up.

Regulations issued jointly by the People's Bank of China and the Finance Ministry that went into effect Sunday require all profits earned by the businesses to be turned over to the government, the People's Daily reported Monday.

Meanwhile, four brokers involved in the Shanghai stock exchange were sentenced to between seven and 20 years in prison for using public funds to play the market, the Hong Kong China News Service said.

BHP Warns of Pressures on '94 Earnings

MELBOURNE — Broken Hill Pty., saying the world's economic recovery remained uncertain, warned Monday that earnings in 1994 could be hurt by lower commodity prices, competition for markets and what it called a "drift toward interventionist" trade policies in the world.

For the year ended May 31, BHP posted a net profit of 1.29 billion Australian dollars (\$859.4 million), compared with \$88.5 million dollars in the previous 12 months.

CHANGCHUN: The No. 1 Automotive Manufacturing Plant Shows How Far Capitalism Has to Go in China

Continued from Page 9 been freed to flourish according to the law of supply and demand. Private businesses employ about 30 million people, and many enterprises owned by the central and local governments enjoy autonomy.

that was designed mainly to fund the state-owned enterprises at levels set by the government's central plan. Reshaping the financial system is an especially urgent priority, economists widely agree, because its lack of market discipline makes the economy prone to overheating.

It would not matter much if inefficiency and costly subsidies were the only problems created by the unreformed parts of the economy. Beijing has achieved an enviable record of expansion by allowing the reformed sectors — including agriculture, which employs hundreds of millions of Chinese — to outgrow the unreformed sectors, such as the auto, steel, chemical and machinery industries.

China "is still far away from a fully grown financial system that would allocate financial resources to the best possible use and contribute to macroeconomic stability," the World Bank said in its report.

AIR: U.S. Partners in Bilateral Accords Challenge the Growing American Dominance of International Routes

Continued from Page 9 keep pushing into international markets to position themselves for a global economic recovery. Even though U.S. carriers are being displaced domestically by smaller carriers such as Southwest Airlines, they are feared abroad because deregulation has forced them to pare their operating costs to 30 to 50 percent less than most European and Japanese carriers, according to a study by Merger Management Consulting.

three times the number of Americans flying to Japan, but U.S. carriers lay claim to 69 percent of the traffic. Susumu Yamaji, chairman of Japan Air Lines, traveled to Washington in May to lobby for a new agreement with Japan that offered 50-50 sharing of routes.

And Lufthansa won an order from a Frankfurt court demanding that Northwest stop advertising the connecting flights as seamless trips from the United States to Germany.

States is expecting to plow new territory with British officials in talks in October. With British Airways' investment of \$400 million in USAir earlier this year, and its desire to invest another \$450 million, British officials are seeking a relaxation of rules that limit foreign carriers' investment in U.S. airlines to 25 percent voting equity and 49 percent total equity.

Investor's Asia

Table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective closing values and percentage changes.

Very briefly:

- American, European and Japanese computer companies have agreed to adopt the Unix system as a standard for computer operating systems, an official of Fujitsu Ltd. said.
Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co. credit ratings were placed on CreditWatch with negative implications by Standard & Poor's Asia Ltd.

COMPANY RESULTS

Table listing financial results for various companies including Morgan Stanley, Sysco, BASF, Penney (J.C.), Bayer, Quaker Oats, United States, Hornschfefer Ind., and Wal-Mart Stores.

AMEX Monday's Closing

Tables include the following: Tables include the following: Tables include the following: late trades elsewhere. Via The Associated Press

AMEX Monday's Closing table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

Table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

Table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

Table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

Table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

Table with columns for 12 Month High, Low, Stock, Div, Yld, PE, etc.

SPORTS BASEBALL

White Sox Widen AL West Lead, Giants Stay 4 Ahead of the Braves

Chicago's McCaskill Leads 13-5 Assault on the Twins

The Associated Press
Kirk McCaskill was just following orders.
In his first start since Aug. 3 and his second since June 14, McCaskill allowed one run on seven hits over six innings as the White Sox routed the Minnesota Twins, 13-5, on Sunday night in Chicago.

AL ROUNDUP

"I do what I'm told to do," said McCaskill, who was moved to the bull pen in late June. He walked two and struck out two.
"I'm just happy the team is winning and in first place," he added. "It's satisfying to get a win because in the position I'm in I don't get to make a significant contribution that often."

Frank Thomas provided the major offensive support with his 36th home run and three runs batted in, raising his major-league-leading RBI total to 109.

Bo Jackson hit a two-run homer, and Robin Ventura, Craig Grebeck and Tim Lincecum each drove in two runs as Chicago pounded three Minnesota pitchers for 13 hits.

The White Sox stretched their lead in the American League West to 4½ games over Texas and remained five games ahead of Kansas City.

The Twins have lost 11 of 14 games and nine of 12 to Chicago this year.

Blue Jays 6, Mariners 2: Roberto Alomar hit the first grand slam of his career and Joe Carter reached 100 RBIs for the fifth straight year as Toronto won at the Kingdom.

The Blue Jays averted their first-ever four-game sweep by Seattle. Even so, the Mariners won five of seven games against Toronto in the last two weekends.

Alomar's slam came in the third against Erik Hanson after three straight singles. Later in the inning, Carter's single gave him 100 RBIs for the seventh time in eight years.

Athletics 7, Tigers 3: Oakland stopped a nine-game losing streak and snapped Detroit's seven-game winning string with a victory at the Coliseum.

The Athletics' skid was their worst since 1986. They have not lost 10 in a row since 1979.

The Tigers' second baseman, Lou Whitaker, made two errors, leading to three unearned runs.

Royals 5, Red Sox 4: A day after striking out five times in an 11-inning loss to Boston, Greg Gagne singled home the winning run in the 12th in Kansas City.

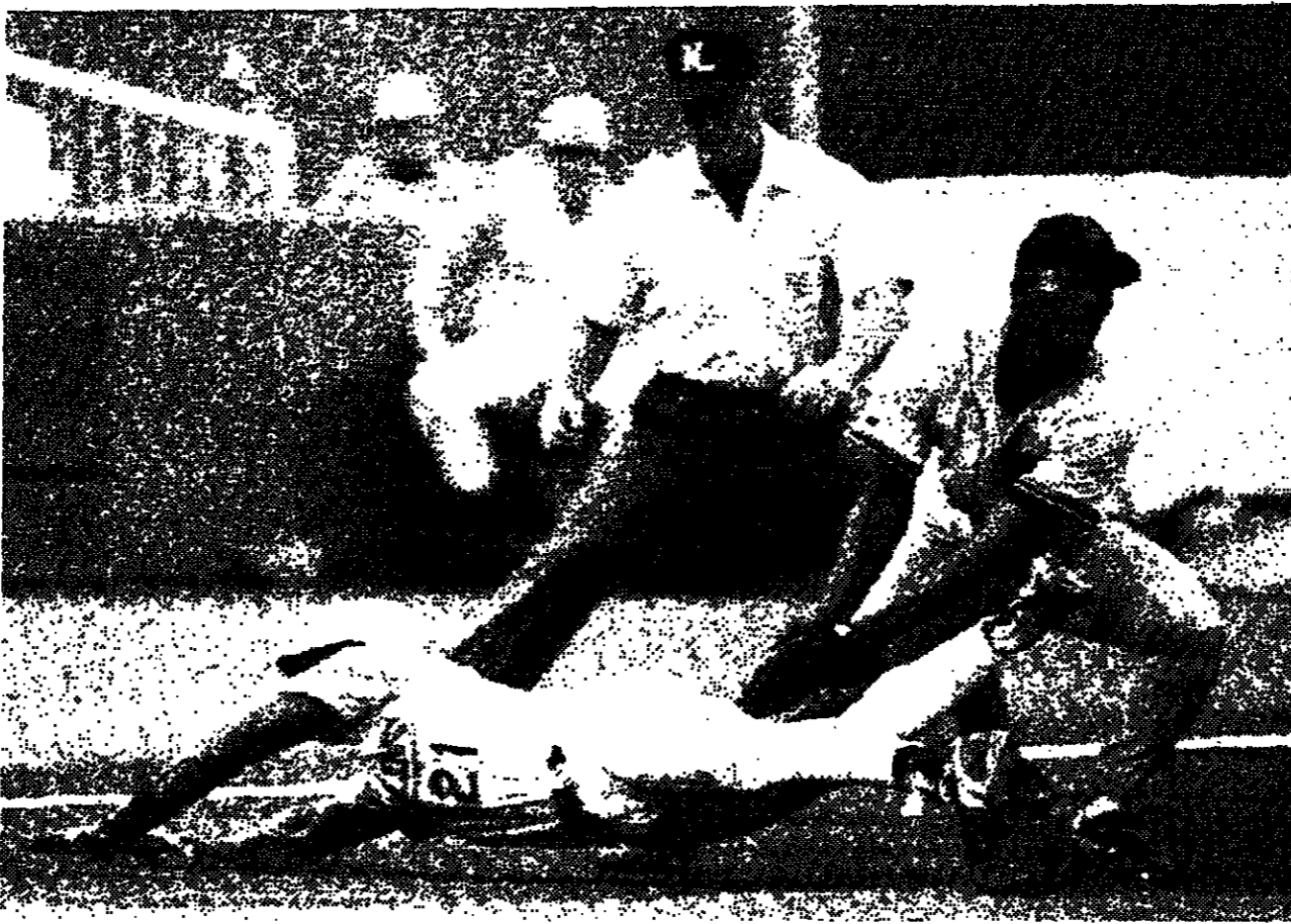
Gagne was 0-for-27 against the Red Sox this season before his hit off John Dopper. Wally Joyner led off with an infield single. Gary Gaetti sacrificed and Kevin McReynolds was intentionally walked, bringing up Gagne.

George Brett went 4-for-5 and stole his 200th career base. He joined Willie Mays and Hank Aaron as the only major leaguers with 3,000 hits, 300 home runs and 200 steals.

Orioles 6, Rangers 3: Jamie Moyer's off-speed stuff kept Texas off-balance, and Baltimore won on the road.

Moyer extended his shutout streak to a career-high 20 innings before the Rangers scored in the seventh. He became the first Oriole left-hander to reach double figures in victories since Jeff Ballard won 18 in 1989.

In earlier games, reported in some Monday editions:
Yankees 14, Indians 8: Paul O'Neill hit a three-run double and



The Giants' Salomon Torres tagging out Florida's Chuck Carr. In his major-league debut, Torres five-hit the Marlins for the victory.

New York scored six times after a controversial play in the sixth inning, turning around a lopsided game in Cleveland.

Dion Gagne drove in four runs for the Yankees, who overcame an early 7-2 deficit to gain a split of the four-game series. The 14 runs were a season high. The game was the Yankees' last ever at Cleveland

Stadium, site of many memorable meetings when they and the Indians were both baseball powers in the 1940s and '50s. The Indians will move to a new ballpark next season.

New York, still trailing, 7-4, in the sixth, had runners at first and second with two outs when Wade Boggs hit a grounder to the hole.

Feix Forin fielded it at shortstop and threw to Alvaro Espinoza at third, but Espinoza — his back to the bag and apparently missed when he waved his glove blindly at Nokes's legs.

Angels 6, Brewers 1: Mark Langston pitched six strong innings, giving California its first two-game

winning streak on the road since June 21.

Rene Gonzales doubled twice and drove in two runs, and J. T. Snow hit his 12th home run for the Angels. Milwaukee right fielder Juan Bell dropped a fly ball in the third inning, setting up Gonzales' bases-loaded double off Rafael Novoa.

San Francisco Ends Skid As Rookie Wins in Debut

The Associated Press
Salomon Torres began the season in Double-A Shreveport. He will not be back there anytime soon.

The San Francisco Giants' new face in the pennant race won his major-league debut on Sunday night, allowing just five hits and two walks in seven innings to beat

NL ROUNDUP

the Marlins, 9-3, in Miami.
The National League West front-runners, who begin a three-game series at Atlanta on Tuesday, retained a four-game lead over the Braves. Atlanta beat Chicago, 8-2, Sunday.

"I wasn't nervous," Torres said. "For the first batter I was excited. I walked him and then I realized, 'Let me settle down, or you're going to make a fool of yourself.'"

The 21-year-old right-hander snapped the Giants' four-game losing streak, longest of the season.

The Giants batted out 15 hits, all in the first six innings. Todd Beazler hit a three-run homer, and Willie McGee and Royce Clayton each contributed a two-run double.

Torres gave up one run in the third on Darrell Whitmore's homer, and another in the fourth when he balked with a runner at third. But the rookie never looked rattled.

Torres' performance was especially welcome for the Giants' injury-plagued rotation. During the losing streak, each starter was knocked out by the sixth inning.

It helped Torres that his team took a quick 4-0 lead.
Rikket Faneity made his major-league debut as the Giants' leadoff hitter and played center field. He

and Torres both singled for their first hits in the big leagues.

Dodgers 8, Cardinals 3: Mike Piazza hit two homers to drive in three runs and Orel Hershiser pitched six solid innings while increasing his batting average to .424 with an RBI double as Los Angeles beat visiting St. Louis. Allen Watson allowed six runs and 11 hits in 4½ innings.

Rockies 6, Mets 1: Lance Pini-er, just recalled from Triple-A Colorado Springs, pitched a five-inning debut as the Rockies beat New York to split the four-game series at Shea Stadium.

Padres 11, Pirates 6: Doug Brocail stopped a personal seven-game losing streak, pitching seven shutout innings as visiting San Diego routed Pittsburgh and rookie John Hope (0-1) to split the doubleheader. In the opener, Bob Walk, pitching while he appeals a lengthy suspension, stopped his four-game losing streak and San Diego's five-game winning streak for the Padres. Andy Ashby's wild pitch set up two runs.

In earlier games, which were reported in some Monday editions:
Phillies 12, Reds 6: Danny Jackson gave up five hits in seven innings and Mickey Morandini and Wes Chamberlain each drove in four runs as Philadelphia used a 17-hit attack to beat visiting Cincinnati, salvaging the finale of a three-game series.

Expos 3, Astros 2: Marquis Grissom hit a three-run homer off Greg Swindell in the fifth inning and Ken Hill tossed five-hit ball for seven as Montreal beat Houston to sweep the three-game series at Olympic Stadium. Montreal has won four straight games, and handed the Astros their fourth loss in a row.

If It Sells Like a Duck, It Must Be Disney's New Anaheim NHL Team

By Richard Sandomir
New York Times Service
ANAHEIM, California — First came the film, which grossed \$50 million.
Then the arena. Then, the T-shirts, caps and jerseys with the snarling duck-goalie logo.
And on Oct. 8 will come the team. Disney's Mighty Ducks of Anaheim.
The advent of the Ducks is not your ordinary expansion-team story. This wasn't a hockey-starved region — like the Denver area, which got the Colorado Rockies baseball team — or Southern California already had the Los Angeles Kings to the north.
This wasn't a country lacking in sports, for it has the California Angels and Los Angeles Rams playing across the freeway in Anaheim Stadium.
No, it was a team inspired by "The Mighty Ducks," the little G-rated Disney movie about the actor Emilio Estevez whipping a bunch of young wisecracks and misfits into a hockey team, a film that grossed \$50 million and will spawn a sequel to be released during the season.
The movie, Michael Eisner, the chairman of Disney, has said, "was our market research" for the real Ducks.
Five weeks before the Mighty Ducks take the ice on the Pond (officially, the Anaheim Arena) against the Detroit Red Wings, the reality is that the team is far more than merely another sports enterprise. It is a sticky marketed new division of the \$7.5 billion Disney machine, a venture that will

target the family culture so familiar to the company and capitalize on Disney's vast resources.
Orange County is said to have the type of affluent residents and families expected to be the fan base for the Ducks.
"No one said hockey shouldn't be a family entertainment," said Tony Tavares, the hyperkinetic president of Disney Sports, the corporate parent of the Ducks. "It'll be hockey, but it'll be marketed across the board."
And marketed with its silly name. Of course, Eisner loves it. So it will stick. In time, it will seem no sillier than the Penguins.
"A lot of people have said the name is stupid and the logo is stupid," said Tavares. "All I know is the kids love it."
Disney's fine hand can be seen in the duck-goalie mascot and in the green-and-eggplant-colored uniforms. The company built the team's offices, will mastermind the opening-night show and will design between-period amusements.
"There won't be a lot of froufrou," said Tavares. "Tinkerbell won't be in the rink." In fact, none of the familiar Disney characters will cobble with the Ducks; not even Donald or his nephews.
Already, Disneyland outlets and Disney's 225 stores are selling Ducks' merchandise, which has overtaken off-season sales of the National Hockey League's licensed goods and spurred investigations of counterfeit Duckware.
The small of paint still permeates the Pond, which opened in late June with a Barry Manilow

concert. It is a whimsical, gaudy arena, a striking building with soaring exterior green-glass archways, marble trim and a coral-colored motif.
The Pond was built on speculation, in Anaheim's hope that a basketball or hockey team could be lured. Securing the Ducks to play in the \$103 million building, with its palm trees swaying outside and its marble floors and wainscot-

temporary in the sales of season tickets, having slowed at about 11,800, short of the 15,000 target. Tavares had hoped to hit 14,000 by now.
The team has sold 60 of its 82 luxury suites, at prices ranging from \$69,000 to \$99,000, and about 1,000 of its premium seats.
From wherever fans watch the Ducks, they will see a team that will not be highly competitive for several years, like most other expansion teams. They will see an organization built in barely six months, compared with three times that preparation time for baseball's newest expansion teams.
"We've run crisis by crisis," said Tavares. "There's an issue a minute."
General Manager Jack Ferreira has approached assembling the Ducks the same way he did with the San Jose Sharks several years ago, with the happy exception that the NHL, let existing teams keep only one goalie in the expansion draft, allowing the Ducks and the Panthers to start life with stronger net care.
The Ducks drafted goalie Glenn Healy. He was taken by Tampa Bay in the secondary phase of the expansion draft and then traded to the Rangers. Anaheim's No. 1 goalie is now Guy Hebert. Among the other noteworthy players on the Ducks' roster are the defenseman Alexei Kasatonov and Randy Ladouceur, and the forwards Steven King, Troy Loney and Stu Grimson.
"We have a pretty good base to start with,"

said Ferreira, adding that he has loaded up on big, strong players. "I didn't want a team that could be pushed around. You want respect. You go to the other team's building, and you don't get respect for being an expansion. We need to compensate with size."
A muscular team might be a code word for a violent one, which would not reconcile with Disney's image. Throwing off the gloves and punching opponents bloody do not jibe with "The Little Mermaid" or "Aladdin."
Team officials sidestep the violence issue, saying the team is built to fight back, not be a band of Broad Street Bully's West.
In the marketing of any team, especially an expansion franchise, there is hyperbole. The exaggerated expectations are usually met in the early years, as the novelty keeps people rapt. Disney, a company that has continually remade itself, presents a case for unabashed hype of the sort never before seen in American sports.
How much the Ducks will contribute to Disney's income is unknown, but they are not a big investment by Disney's standard of megaprojects.
"At \$50 million, it's not a meaningful part of Disney," said Lisbeth Barron, an analyst for S.G. Warburg, a securities company.
"Typically," she added, "it's not the type of investment that you get a short-term return from, but if they can exploit it for other filmed and entertainment products, they have a good chance at longer-term profits."

Ballesteros Gets Wild-Card Berth On Ryder Team

The Associated Press
VIRGINIA WATER, England — Seve Ballesteros, struggling through his worst season since turning pro 19 years ago, was given a wild-card berth for Europe's Ryder Cup team on Monday.
The 36-year-old Spaniard joined his compatriot Jose-Maria Olazabal and Sweden's Joakim Haeggman as the three choices by the team captain, Bernard Gallacher.
Ballesteros hasn't won a tournament since March of last year, and ranks 38th in the final Ryder Cup standings, used to determine the top nine automatic berths.
The Europeans face the Americans at The Belfry in Sutton Coldfield, England, on Sept. 24-26.
The three named Monday join Bernhard Langer of Germany, Colin Montgomerie, Italy's Costantino Rocca, England's Barry Lane, Welshman Ian Woosnam, Englishman Peter Baker and Mark James and Scotland's Sam Torrance. Haeggman, 24, is the first Swede to be named to the team.

DENNIS THE MENACE



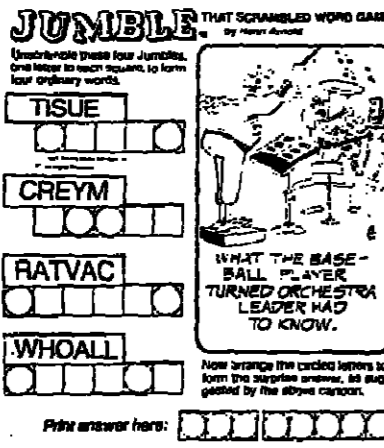
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SPORTS TENNIS

Complete Sampras Is Looking Out for Title, Not for No. 1

By Robin Finn
NEW YORK — The complete Pete Sampras is a formidable tennis weapon who has, at least to the naked eye, no apparent flaws as he takes aim at the U.S. Open, the tournament that has historically been as much of a breakthrough as a breakthrough event for him.

expectation and more than a little irritated at himself for transferring not one iota of confidence from 1990 mystery joyride to 1991 campaign. His opponent, Jim Courier, was only too happy to take advantage of the defending champion's discomfort and ousted him in the quarterfinals. When Sampras called the dead end to his first Grand Slam title defense a relief, his remark raised the eyebrows of the tennis establishment and was wrongly interpreted as Sampras' admitting he was glad to lose.



No. 1 Steffi Graf stroking a return to Robin White en route to 6-3, 6-0 first-round victory Monday.

Ferreira Upsets Korda, Navratilova Sets Records

NEW YORK — Wayne Ferreira of South Africa became the first person to eliminate a seeded player at the 1993 U.S. Open, ousting the ninth-seeded Petr Korda of the Czech Republic on Monday, 7-6 (7-2), 6-4, 6-2.
It was another significant Grand Slam victory for the 22-year-old native of Johannesburg. Last year he ended John McEnroe's impressive run at the Australian Open. For Korda, it was yet another disappointment on the hard courts of the National Tennis Center. In his five trips to Flushing Meadows, Korda has won only one match, in 1990, when he reached the second round.

enough weapons to combat Graf's arsenal.
Graf won 54 points, more than twice as many as her opponent, and hit 21 winners, compared with only five for White.
Navratilova, who knows her place in history, broke Virginia Wade's record of playing in 20 consecutive tournaments.
"I've been beyond proving anything for a long time now," Navratilova said. "This is a golden time, and I'm just enjoying the ride."
She is also enjoying rewriting the record book, which changes almost every time she takes to the court. Navratilova is seeded third this year, a record 19th consecutive time she has been seeded in this tournament, the year's final Grand Slam event. She had been tied with Jimmy Connors and Chris Evert for most years seeded and most successful women seeded.

Other Monday Results
Men's Singles
Amos Mansour, Israeli, def. Grant Stafford, South Africa, 7-6 (4-2), 6-1, 6-1, retired; Carl-Lene Steen, Germany, def. Jason Statham, Australia, 7-6 (4-2), 6-4, 6-2; James Stipan, Sweden, def. Stephane Simon, France, 6-4, 6-3, 6-2; Aaron Krichbaum, United States, def. Goran Ivanisevic, Croatia, 6-4, 7-6 (4-2), 6-4, 6-1.
Women's Singles
Shih-Ping Wang, Taiwan, def. Stephanie Reiter, Netherlands, 6-2, 6-2; Cure Wood, Britain, def. Miriam Oremans, Netherlands, 6-3, 6-1; Sharon Stafford, United States, def. Halle Carr, United States, 7-6 (4-2); Nicole Pietrangeli, Netherlands, def. Nicole Pietrangeli, Netherlands, 6-4, 6-2; Christine Singer, Germany, def. Hanna Dahlgren, Finland, 7-6 (4-2), 6-4; Eno Petrus, South Africa, def. Ann Grossman, United States, 7-6, 6-2; Meredith McGehee, United States, def. Patricia Parodi-Morroni, France, 6-2, 7-6 (4-2); Sylvia Farina, Italy, def. Claire Waley, Netherlands, 7-6 (4-2); Linda Hawley, United States, def. Ines Garbaczewska, Argentina, 6-2, 6-4.

SIDELINES

Unser Wins Vancouver Indy Race

VANCOUVER, British Columbia (Reuters) — AJ Unser Jr., winless since the 1992 Indianapolis 500, triumphed in the Vancouver Indy race after a frantic battle with last year's champion, Bobby Rahal, while Nigel Mansell never threatened.

Sweden's Stefan Johansson finished third in the 102-lap race on Sunday. Mansell, the Indy points leader, who started in the third position on the grid, had handling problems for most of the race and called it the toughest race he had ever raced. "We stayed out for two extra laps before making our second pit stop for fuel and tires, and the move really paid off," said Unser, whose margin of victory was 11.199 seconds.

For the Record

North Carolina, ranked 20th in the preseason college football poll, spoiled John Robinson's return as coach of 18th-ranked Southern Cal, cruising to a 31-9 victory on Sunday in Anaheim, California. (AP)
The German international Michael Schumacher, 29, has quit Borussia Dortmund to join Urava Red Diamonds in the Japanese soccer league, Borussia said Monday. Rumors are said to have signed a \$900,000-a-year contract that expires in January 1994. (AP)
Top draft pick Alex Rodriguez, 18, and the Seattle Mariners agreed Monday on a three-year, \$15 million contract worth \$1.5 million, the most ever for a major league selection. (AP)

SCOREBOARD

BASEBALL

Table with Major League Standings and Sunday's Line Scores. Columns include Team, W, L, Pct., GB, and Runners.

SCOREBOARD

Table with West Division, National League, and American League Standings. Columns include Team, W, L, Pct., GB, and Runners.

SCOREBOARD

Table with World Cup Qualifiers, South America, Group A, and Group B. Columns include Team, Pts., and Goals.

SCOREBOARD

Table with World Cup Qualifiers, South America, Group A, and Group B. Columns include Team, Pts., and Goals.

SCOREBOARD

Table with World Cup Qualifiers, South America, Group A, and Group B. Columns include Team, Pts., and Goals.

PERSONALS

THEY PRAYED AND ASKED FOR A LOVED ONE WHO IS VERY IMPORTANT TO THEM.
May the Sacred Heart of Jesus be obtained through the world, now and forever. Second Heart of Jesus pray for us. Saint Joseph, help of the hopeless, pray for us. Jesus, help of the hopeless, pray for us. Jesus, help of the hopeless, pray for us. Jesus, help of the hopeless, pray for us.

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***** GE APARTMENTS *****

PARIS AREA UNFURNISHED
"Better than a hotel"

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"Better than a hotel"

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REAL ESTATE TO RENT/SHARE
PARIS AREA FURNISHED
AT HOME IN PARIS
PARIS PROHO

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Today's EDUCATION DIRECTORY
Appears on Page 3

AVIATION
HELICOPTER FOR SALE
BELL 402C, 1975, 9300 hours, equipped

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ART BUCHWALD

Presidential Memories

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Buchwald

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Film Variations in Red, White and Blue

By Joan Dupont

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Krzysztof Kieslowski and Juliette Binoche in the director's new film, "Trois Couleurs: Bleu," the first of a trilogy.

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Woody Allen he's not. His cinema is metaphysical, a study in partial vision, refracted and fragmented light, suspense stories that hang on the mystery of accidents and coincidences. Although he works fast — in the time most directors need to give birth to one film, Kieslowski delivers the Ten Commandments in "The Decalogue" — he sees infinite variations for the fate of his characters and alternate endings to the films: He would have liked to make 17 different versions of "Veronique" to play in 17 Paris theaters. Such a man casts a doleful eye on the human comedy: no chuckles, no nostalgia.

The trilogy, titled "Trois Couleurs: Bleu, Blanc, Rouge," treats the concepts of liberté, égalité et fraternité, playing on notions of free will and chance, suffering and redemption in the lives of three women. Although the language and stars — Juliette Binoche, Julie Delpy, Irène Jacob — are French, Kieslowski, who maintains that it didn't slow him down. "The actors and I understand each other pretty well, and their English is as bad as mine." Set in France, "Trois Couleurs: Bleu" is the story of a woman whose husband, a famous composer, and child are killed in a car accident. The husband has left an unfinished symphony dedicated to European union; she is asked to complete the symphony, but she runs away to invent a new life. "Blanc," shot in Poland, is a black comedy on the theme of equality, or the lack of it. "Rouge," made in Switzerland, is a moral fable about a model and a judge. At the end, the three heroines cross paths.

PEOPLE

Young, Single, Royal: Matchmakers' Voyage?

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"The big question that was never resolved by Clinton's visit was, were there more sharks in the water or more in the White House press corps?" "We have mixed feelings on the Clintons. Half of us are pleased they chose the island. But the other half objects strongly to David Geffen wanting to change the name to 'Hillary's Vineyard.'"

WEATHER

Weather forecast for Wednesday through Friday, as provided by Accu-Weather. Includes maps for Europe, Asia, North America, and Latin America, along with temperature and precipitation data for various regions.

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